

# Audit, Governance and Standards Committee

Monday 10 February 2020

6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

## Membership

Councillor Humaira Ali  
Councillor James McAsh (Chair)  
Councillor Dora Dixon-Fyle MBE  
Councillor Nick Dolezal  
Councillor Andy Simmons  
Councillor Dan Whitehead  
Councillor Tom Flynn

## Reserves

Councillor Sarah King  
Councillor Hamish McCallum  
Councillor Bill Williams  
Councillor Lorraine Lauder MBE  
Councillor Jason Ochere

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### Contact

Virginia Wynn-Jones on 020 7525 7055 or email: [virginia.wynn-jones@southwark.gov.uk](mailto:virginia.wynn-jones@southwark.gov.uk)

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Members of the committee are summoned to attend this meeting

**Eleanor Kelly**

Chief Executive

Date: 31 January 2020



# **Audit, Governance and Standards Committee**

Monday 10 February 2020

6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

## **Order of Business**

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### **PART A - OPEN BUSINESS**

The chair would like to remind members that prior to the meeting they have the opportunity to inform officers of particular areas of interest relating to reports on the agenda, in order for officers to undertake preparatory work to address matters that may arise during debate.

#### **1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

#### **2. CONFIRMATION OF VOTING MEMBERS**

A representative of each political group will confirm the voting members of the committee.

#### **3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT**

In special circumstances, an item of business may be added to an agenda within five clear days of the meeting.

#### **4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.

#### **5. MINUTES**

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To approve as a correct record the minutes of the open section of the meeting held on 11 September 2019

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>6.</b>	<b>GOVERNANCE CONVERSATION: STRATEGIC DIRECTOR OF CHILDREN'S AND ADULTS' SERVICES</b>	
	David Quirke-Thornton to bring a verbal update to the committee for discussion.	
<b>7.</b>	<b>SHARED ICT SERVICE - UPDATE</b>	
	Fabio Negro, MD for the shared ICT service, and Emma Marinos, Director of Modernise, to bring an update to the committee for discussion.	
<b>8.</b>	<b>BDO INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT</b>	4 - 63
<b>9.</b>	<b>INTERNAL AUDIT STRATEGY AND OPERATIONAL PLAN 2020-21</b>	64 - 105
<b>10.</b>	<b>AUDIT PLANS (INCLUDING PENSION FUND)</b>	
	To follow	
<b>11.</b>	<b>ANNUAL REPORT ON CORPORATE RISK AND INSURANCE</b>	106 - 115
<b>12.</b>	<b>REPORT ON THE OPERATIONAL USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000</b>	116 - 123
<b>13.</b>	<b>REVIEW OF THE COMPLAINTS MADE UNDER THE CODE OF CONDUCT</b>	124 - 128
<b>14.</b>	<b>REVIEW OF MEMBER AND OFFICER PROTOCOL AND COMMUNICATIONS PROTOCOL</b>	129 - 152
<b>15.</b>	<b>WHISTLEBLOWING COMPLAINTS AND OUTCOMES AND UPDATE TO POLICY</b>	153 - 156
<b>16.</b>	<b>ANNUAL REPORT ON THE WORK AND PERFORMANCE OF THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE IN 2019-20</b>	157 - 162
<b>17.</b>	<b>DRAFT WORK PROGRAMME FOR 2020-21</b>	163 - 172
	Note: A blank self-assessment form has been circulated separately to members	
<b>18.</b>	<b>APPOINTMENT OF NON-VOTING CO-OPTED MEMBERS OF THE CIVIC AWARDS SUB-COMMITTEE FOR 2019-20</b>	173 - 174

**ANY OTHER OPEN BUSINESS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT**

**EXCLUSION OF PRESS AND PUBLIC**

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution.”

**PART B - CLOSED BUSINESS**

Date: 31 January 2020



## **Audit, Governance and Standards Committee**

MINUTES of the OPEN section of the Audit, Governance and Standards Committee held on Wednesday 11 September 2019 at 6.30 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor James McAsh (Chair)  
Councillor Humaira Ali  
Councillor Dora Dixon-Fyle MBE  
Councillor Nick Dolezal  
Councillor Tom Flynn  
Councillor Andy Simmons

**OFFICER SUPPORT:** Duncan Whitfield, strategic director of finance and governance  
Jo Anson, head of financial and information governance  
Rob Woollatt, departmental finance manager  
Michael Scorer, strategic director of finance and modernisation  
Doreen Forrester-Brown, director of law and democracy  
Angela Mason-Bell (BDO)  
Greg Rubins (BDO)  
Nick Baker (BDO)  
Ciaran McLaughlin (Grant Thornton)  
Virginia Wynn-Jones, constitutional team

### **1. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Dan Whitehead and Amrit Mangra.

### **2. CONFIRMATION OF VOTING MEMBERS**

The members present were confirmed as the voting members.

### **3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT**

There were none.

#### **4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were none.

#### **5. MINUTES**

The minutes of the meeting of 16 July 2019 were agreed as a correct record and signed by the chair.

#### **6. GOVERNANCE CONVERSATION: STRATEGIC DIRECTOR OF HOUSING & MODERNISATION**

Michael Scorer, the strategic director of housing and modernisation, presented to the committee.

Officers undertook to circulate a diagram of the governance arrangements of the housing and modernisation department to the committee.

Officers undertook to circulate a timetable of the review of temporary accommodation to the committee.

#### **7. BDO INTERNAL AUDIT PROGRESS REPORT**

BDO presented to the committee. The committee had questions of BDO.

BDO undertook to ask officers for explanations of why the area which did not have a final report have not received a management response yet, and to update this in future audit progress reports.

BDO undertook to look at the implementation of the Fairer Future procurement framework in early 2020 and report back to the committee in future audit progress reports.

BDO undertook to ask officers for the reasons for the delay for the Planning and S106 audit recommendations and bring an update to the committee next meeting.

#### **RESOLVED:**

1. That the audit, governance and standards committee noted BDO's internal audit progress report, as attached at Appendix A of the report.

#### **8. ANNUAL AUDIT LETTER FOR SOUTHWARK COUNCIL AND SOUTHWARK PENSION FUND 2018-19**

Grant Thornton presented the report. Members had questions of Grant Thornton.

#### **RESOLVED:**

1. That the audit, governance and standards committee noted the final Annual Audit

Letter for Southwark Council and Southwark Pension Fund, attached as Appendix A of the report.

Meeting ended at 7.20 pm

**CHAIR:**

**DATED:**

# Agenda Item 8

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		BDO Internal audit and anti-fraud progress report	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATION

1. That the audit, governance and standards committee note BDO's internal audit and anti-fraud progress report, as attached at Appendix A.

## BACKGROUND INFORMATION

2. The purpose of the report is to inform Southwark Council's audit, governance and standards committee of the status of work undertaken by BDO in respect of 2019-20 since the last meeting of the committee on 11 September 2019. The full report is given in Appendix A.

## Policy implications

3. This report is not considered to have direct policy implications.

## Community impact statement

4. This report is not considered to have direct impact on local people and communities.

## Resource implications

5. The fees will be met from existing budget provision.

## Consultation

6. Consultation has not been undertaken.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

7. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix A	Internal audit and anti-fraud progress report



**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance		
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer		
<b>Version</b>	Final		
<b>Dated</b>	31 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>	
Strategic Director of Finance and Governance	No	N/A	
Director of Law and Democracy	No	N/A	
<b>Cabinet Member</b>	No	No	
<b>Date final report sent to Constitutional Team</b>		31 January 2020	

# INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT

London Borough of Southwark

*For presentation to the Audit, Governance and Standards Committee*

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# 1. SUMMARY OF INTERNAL AUDIT WORK

## Internal Audit

This report is intended to inform the Audit, Governance and Standards Committee of progress made against the 2019-20 internal audit plan. It summarises the work we have undertaken, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Internal Audit Standards.

## Internal audit methodology

We have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified. Our reporting methodology is based on four assurance levels in respect of our overall conclusions as to the design and operational effectiveness of controls within the system reviewed - substantial, moderate, limited or no assurance. The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment. The definitions for our assurance levels are set out in appendix 1 to this report.

## Internal Audit Plan 2019-20

We are making good progress in the delivery of the 2019-20 audit plan. The status of the audits that have been commenced to date are summarised in section 3 of this report. Where audit reports have been finalised, the executive summaries are included in section 4 of this report.

## Changes to the internal audit plan 2019-20

No further changes have been made to the plan since the last meeting of the committee in September 2019.

## Non-internal audit services provided by BDO

Since the last meeting, BDO LLP has been commissioned to complete a review on the TMO allowances calculations, to confirm completeness and accuracy of data used and that the methodology accords with Government requirements. This work is being delivered outside of the internal audit plan under separate fee arrangements.

## Follow up

As part of finalising each audit report, we agree with management the actions that will be taken in response to each finding and recommendation. Within their response, management include the date by which the actions will be completed. Internal audit routinely follows up all high and medium recommendations made, in the month after the implementation date agreed by management.

## 2. ANTI-FRAUD UPDATE

BDO has been engaged to provide management support and strategic advice to the anti-fraud team at the council. The lead for this work is Nick Baker (FCCA, ACFs), an accredited counter fraud senior manager and forensic accountant within BDO forensic services.

### Summary of investigations 2019-20 to date

The figures below represent the team's investigations since 1 April 2019.

2019-20	Corporate Anti- Fraud		Housing Waiting List		Right to Buy	
	Open	Closed	Open	Closed	Open	Closed
C/f 2018/19	6		3		1	
April	19	13	16	15	2	3
May	9	8	4	3	3	0
June	4	5	6	3	1	4
July	4	3	5	5	1	2
August	3	3	8	8	3	0
Sept	1	1	2	2	5	3
October	0	1	8	6	1	2
November	1	2	1	2	3	1
December	0	3	2	3	6	7
January	2	4	2	6	1	2
February						
March						
Total	49	43	57	53	27	24

### Active investigations

There are currently nine active investigations being conducted by the Internal Audit & Counter Fraud Team. These can be summarised as follows:

- Children & Adult Services - 3 Cases
- Housing & modernisation - 6 Cases

Of these, three cases relate to former Council employees and one case relates to a current Council employee. No further information in respect of these investigations can be given at this time.

### Recruitment

A Grade 9 Fraud Verification Officer has been successfully recruited and will commence employment on 17<sup>th</sup> February 2020.

A Grade 6 Fraud Trainee has also been successfully recruited and we are currently

awaiting completion of the DBS checks and references.

### **Pro-active investigations**

Once the two new members have staff have started, the Internal Audit & Counter Fraud Team will commence planned pro-active work on a number of areas within the Council's operations which are considered to be higher risk i.e. more likely to be subject to fraudulent activity.

The areas will be identified via discussions with BDO Internal Audit and Risk Champions at the Council.

### **Update of Fraud Response Policy**

BDO are working with the Anti-Fraud and Internal Audit Service to undertake a complete re-drafting and updating of the Council's Fraud Response Plan. This will set out in detail the Council's approach to identifying and dealing with potential fraud, the responsibilities of staff and the public in reporting suspicions of fraud, the approach the Council is committed to in investigating allegations of fraud, and the possible sanctions open to the Council when fraud is proven to have taken place.

Once completed it is currently envisaged this will be available to all staff and members of the public.

In addition, the key points of the Plan will form part of updated intranet source material and also be used as part of updated and revised internal training.

### **Anti-Fraud Process Map**

BDO has worked with the Anti-Fraud and Internal Audit Service to develop a detailed Anti - fraud Process Map, to provide guidance to relevant staff to enable them to more efficiently identify potential fraud, investigate where appropriate, form appropriate conclusions and decide upon suitable sanctions.

### 3. REVIEW OF WORK 2019-20 WORK

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Internal Audit Plan 2018-19								
IR35	Corporate Governance Panel	20	✓	✓	✓	February 2020	n/a - advisory review	
Internal Audit Plan 2019-20								
Troubled Families Grant	Director of Children’s Services	20	Letter of Engagement agreed. A schedule of monthly audits is undertaken, on a sample of 10% of claims to be submitted			All	April 2019 to January 2020 completed. One exception was identified.	
Home Ownership - Garages	Director of Exchequer services	15	✓	✓	✓ Final report	September 2019	Moderate	Limited
Major Works	Director of Asset Management	15	✓	✓	✓ Final report	September 2019	Substantial	Substantial
Play Service	Director of Environment	15	✓	✓	✓ Final report	September 2019	Moderate	Moderate
Barristers Framework	Director of Law and Democracy	10	✓	✓	✓ Final report	February 2020	Moderate	Moderate
Blue Badges and Freedom Passes	Director of Customer Experience	15	✓	✓	✓ Final report	February 2020	Substantial	Moderate
Cleaner, Greener, Safer Programme	Director of Environment	15	✓	✓	✓ Final report	February 2020	Moderate	Substantial
Client Services	Director of Exchequer Services	15	✓	✓	✓ Final report	February 2020	Moderate	Substantial

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Direct Debits	Strategic Director Finance and Governance	10	✓	✓	✓ Final report	February 2020	Moderate	Limited
Home Ownership - Mortgages	Director of Exchequer Services	10	✓	✓	✓ Final report	February 2020	Moderate	Moderate
Housing Solutions - Homelessness	Director of customer experience	20	✓	✓	✓ Final report	February 2020	Moderate	Limited
Leathermarket CBS Grant	Director of communities	10	✓	✓	✓ Final report	February 2020	Substantial	Moderate
No Recourse to Public Funds	Director of Communities	15	✓	✓	✓ Final report	February 2020	Moderate	Limited
Volunteer Management	Director of Environment / Director of Leisure	15	✓	✓	✓ Final report	February 2020	Moderate	Moderate
Community Equipment	Director of Commissioning	15	✓	✓	✓ Draft report issued 13/12/19	June 2020		
Materials	Director of environment	10	✓	✓	✓ Draft report issued 17/01/20	June 2020		
Payments to Children and Families	Director of Children's Social Care	22	✓	✓	✓ Draft report issued 24/01/20	June 2020		
Enforcement	Director of environment	15	✓	✓	✓ Draft report issued 29/01/20	June 2020		



Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Council Tax	Director of Exchequer Services	20	✓	✓	✓ QA	June 2020		
Mental Health Services	Director of adult social care	15	✓	✓	✓ QA	June 2020		
Mosaic Operational and Payments Review	Directors of Adult Social Care and Children's Social Care	15	✓	✓	✓ QA	June 2020		
Special Educational Needs	Director of Education	20	✓	✓	✓ QA	June 2020		
NNDR	Director of Exchequer Services	10	✓	✓	✓ QA	June 2020		
Accounts Payable	Director of Exchequer Services	10	✓	✓		June 2020		
Coroners	Director of Customer Experience	15	✓	✓		June 2020		
Foster Carers	Director of Children's Social Care	15	✓	✓		June 2020		
Housing Benefits	Director of Exchequer Services	10	✓	✓		June 2020		
Housing Rents	Director of Exchequer Services	10	✓	✓		June 2020		
Major regeneration programmes and projects	Director of regeneration	20	✓	✓		June 2020		

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Committee	Design	Operational Effectiveness
Payroll and HR	Directors of Exchequer Services and Modernise	25	✓	✓		June 2020		
Public health - free healthy school meals (advisory)	Strategic Director place and wellbeing	20	✓	✓				
Suspense Account Management	Director of Exchequer Services	10	✓	✓		June 2020		
Pest Control	Director of Environment	15	✓	✓		June 2020		
Appointeeships	Director of Adult Social Care	15	✓			June 2020		
Building Control	Director of Planning	15	✓			June 2020		
Community Safety Partnership	Director of Public Health	15	✓			June 2020		
Parks	Director of Leisure	15	✓			June 2020		
Supported Accommodation Hostels	Director of Resident Services	15	✓			June 2020		
Supported Living	Director of Commissioning	15	✓			June 2020		
Tenancy Management Organisations	Director of Communities	25	✓			June 2020		

## 4. EXECUTIVE SUMMARIES OF REPORTS FINALISED SINCE THE LAST MEETING

TR13 IR35 Control Framework January 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		N/A Advisory Review		Medium	3
				Low	-
Purpose of audit	To review the control framework across the Council with regards to compliance with IR35 requirements in terms of employment status. This was an advisory review and therefore an internal audit assurance opinion has not been provided.	Added value - We undertook benchmarking on the guidance available to staff on the intranet and best practice. This exercise confirmed that the Council’s guidance is consistent with HMRC tax legislation.  Based upon the Council’s transparency reports for the period April 2018 to February 2019 we identified that a total of £372,235 was paid to 72 individuals / contractors. The payments to these individuals / contractors ranged from £275 to £28,584. This could indicate that managers are not taking into account contract standing orders and potentially not achieving value for money when using individuals / contractors.  A questionnaire was distributed to all management at the Council to identify whether management were aware of the roles and responsibilities when appointing individuals outside of the Council. In addition, we found that management did not feel confident in completing the HMRC digital assessment form which is a key indication for determining whether IR35 legislation applies to engagements and the majority of the respondents felt they required additional guidance, support and training.			
<b>Background:</b>  Ir35 is tax legislation that was introduced in 2000, designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used. Such workers are called 'disguised employees' by HMRC. The Government is concerned about widespread non-compliance with IR35 so from 6 April 2017 public sector bodies have a duty to ensure that people working for them through intermediaries are paying the right tax and complying with IR35. This new legislation will ensure that individuals who work through their own company pay employment taxes in a similar way to employees where they would be employed were it not for the personal service company (PSC) that they work through. This measure does not create any new pension obligation and statutory payments and other employment rights.  <b>Good Practice:</b> <ul style="list-style-type: none"><li>• Prior to the recruitment of the contractors/consultants/individuals, the skills and resources required by the Council were assessed to confirm that in house expertise was not available and it was therefore appropriate to acquire the services from a third party</li></ul>					

- Where appropriate the Council has sought appropriate legal and employment advice when appointing contractors/consultants/individuals.

#### **Key findings:**

- The Council has guidance in place but no formal policy, the majority of management who responded to our questionnaire (110 responses) said that they are unaware or partly unaware of their responsibilities in relation to IR35 and training has not been provided to staff.
- No central record is maintained to monitor contractors/consultants/individuals that are externally engaged by the Council. Through sample testing we identified two instances within the scope of IR35 legislation which had incorrectly been treated as outside the scope, although the amounts involved were small.
- We reviewed a sample of 25 cases and found some exceptions where evidence of key documentation has not been retained by management and contracts have not been agreed by the parties involved.

#### **Conclusion:**

Managers are not always aware of their responsibilities with regards to IR35 and the evidence/ documentation to be retained when recruiting contractors/consultants/individuals to provide services to the Council. Recommendations have been raised to ensure that the Council has a complete record of all contractors/consultants/individuals, which is monitored to ensure the Council is compliant with IR35 tax legislation.

Note that the finalisation of the audit was originally paused whilst management considered whether further audit sampling would be of benefit. Upon receipt of the draft report the Strategic Director of Finance and Governance sent a reminder to all senior managers and the Council has a new commitment to review the transparency data, it is expected that new cases will be rare. The procedure has been fully reworked to capture the audit recommendations as a joint exercise led by the Council's Pay and Reward specialist working in close collaboration with the Financial Control and Processing team. It means the Council is now more confident that the process for procuring consultants via vendors and ensuring that they are appropriately checked under IR35 is robust.

#### **Follow up**

We will complete the follow up of the recommendations in May 2020, in accordance with the Council's implementation dates.

FG03 Barristers Framework November 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Moderate	Medium	3
				Low	-
Purpose of audit	To provide a contract management review, looking at monitoring against contractual requirements, delivery against key performance indicators, the extent to which income generated is meeting expectations.				
<b>Background:</b> Legal services instruct barristers on behalf of client departments for a range of litigation work including housing and general litigation, planning litigation and child care proceedings. Lambeth and Southwark Councils jointly procure their barristers framework. The current framework started on 2 September 2016 and is due to expire on 1 September 2020. The service is currently in discussions with Lambeth regarding completing a further re-procurement exercise. There are ten different litigation areas within the framework with a number of barristers chambers appointed per area. Chambers are ranked within each area based on the scoring of the procurement exercise, with the general principle being to use the chambers at the top of the list. However, due to the nature of the work it may mean that the expertise required will be in a chambers further down the list. The framework allows for this flexibility. All barristers are expected to adhere to the specification of the framework, which provides for the expectations of the Councils. However, there is some flexibility based on expertise and availability and pressures of the service and instructions. Before being able to approve an invoice for payment, fee earners are required to provide formal feedback based on the experience of using the barrister and chambers. This is formally reported on every six months to the departmental contract review board (DCRB). Six-monthly meetings are held between Southwark and Lambeth to identify spending trends and discuss any other concerns. As the intention is to use the framework where possible, off framework spending is also identified.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>• We have confirmed through review of the barrister’s framework, discussions and with reference to evidence that:</li><li>• Some income (£3,500) is being generated through the London Borough of Tower Hamlets accessing the framework.</li><li>• The steering group made up of staff from the London Borough of Southwark and the London Borough of Lambeth meets on a six monthly basis.</li><li>• Regular (six monthly and annual) reports are submitted to DCRB reviewing the framework.</li></ul>					
<b>Key findings:</b> <ul style="list-style-type: none"><li>• The contract specification does not include specific KPIs relating to feedback submitted by staff.</li><li>• Reporting on performance and framework spend is not completed on a regular basis in time for the six monthly steering group meetings.</li><li>• Off framework spend is not regularly reported on. The last data available in relation to off panel spend was dated 2 September 2016 to 31 August 2017.</li></ul>					

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**Conclusion:**

Due to the fact that the contract specification does not include specific KPIs relating to the satisfaction surveys completed by staff we have concluded an opinion of moderate assurance over the design of the control framework. Where controls are in place we have concluded moderate assurance due to the fact that regular quarterly and six monthly reporting in advance of the steering groups is not completed and that off framework spend is not routinely reported on.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

Design	<ul style="list-style-type: none"><li>• Specify a KPI in relation to performance based on staff survey forms and associated reporting.</li></ul>
Effectiveness	<ul style="list-style-type: none"><li>• Complete reporting in advance of steering groups</li><li>• Ensure on framework and off framework spend is analysed appropriately and reported to each meeting.</li></ul>

**Follow up**

A follow up the implementation of the recommendations is in progress.

HM21 Blue Badges and Freedom Passes January 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
				Medium	2
				Low	2
				Substantial	Moderate
Purpose of audit	To provide assurance over the adequacy and effectiveness of the processes and controls for the award of blue badges and freedom passes, including validation of applicant’s eligibility.		Added value - A review was completed as to whether any changes to controls could be made to increase customer satisfaction and we have suggested that the website signposts applicants to further information and includes examples of the questions that will be asked.		
<b>Background:</b> The Blue Badge scheme is for people with severe mobility problems who find it difficult to use public transport. Blue Badges are only issued to those who meet the eligibility criteria, which includes being registered blind, receiving the higher rate of the mobility component of the Disability Living Allowance or have enough points under the mobility component of the Personal eligibility criteria. There is a cost of £10 to issue a Blue Badge, including renewals and replacements. A disabled person’s Freedom Pass allows free travel across London and free bus journeys nationally at certain times. To apply the applicant must be living in Southwark at the time of making the application and when the pass is issued. To be eligible for a disabled persons Freedom Pass, the applicant must have a disability as defined by the Transport Act 2000. The pass is free. An older person’s Freedom Pass gives free travel across London and free bus journeys nationally. To be eligible for the older person’s Freedom Pass the applicant must meet the age criteria, which currently rises with women’s retirement age, and their sole or principal residence must be in Southwark. At Southwark, Blue Badges and Freedom Passes are issued and reviewed by the Disabled Travel Team. In cases where a further review is required, two external occupational therapist providers provide assessments for the team to enable an application to be approved or rejected. Approximately 6,000 Blue Badges have been issued in the last year with the change in eligibility legislation, to include those with hidden disabilities, such as mental health issues, coming in at the end of August 2019. This figure is expected to increase substantially; the service estimates at least another 3,000 applications by the end of the financial year. Freedom Passes are reviewed every five years and the council liaises with local registrars to confirm whether any pass holders have passed away.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>Detailed procedures are available to staff in accordance with national guidance.</li><li>Information is available on the council website confirming the eligibility criteria and when an applicant will be eligible and may be eligible.</li><li>An appropriate framework agreement is in place.</li><li>Badges and passes are issued to eligible applicants.</li></ul>					

**Key findings:**

- Some applications that were tested as part of our sample did not have the necessary documentation, or the evidence was not uploaded to iCasework
- Issues with the iCasework system has led to the correct application decision not being displayed, despite staff following the correct procedures.
- The information sharing schedule with Able2 for the occupational therapy assessments is not signed by the council.
- The £10 fee for issuing a blue badge should be included in future annual fees and charges reports to Cabinet.

**Conclusion:**

Overall there is a comprehensive framework relating to the provision of blue badges and freedom passes to the residents of the borough of Southwark, therefore we have provided substantial assurance on the design of the control framework. We found that checks on eligibility were being undertaken to confirm individuals' eligibility prior to award, however, some documentation was not appropriately attached to the application including the correct proof of identity, payment receipt and confirmation if the documentation had been received by post and was not scanned into the system. In addition, the information sharing schedule was not signed by the council. We have therefore provided moderate assurance on the operational effectiveness of the controls in place.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

Effectiveness	<ul style="list-style-type: none"> <li>• Officers should be reminded to ensure all email correspondence is attached to iCasework and checks should be performed on this</li> <li>• Information sharing schedule should be signed.</li> </ul>
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**Follow up**

A follow up the implementation of the recommendations will be undertaken in April 2020.



EL02 Cleaner, Greener, Safer Programme November 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Substantial	Medium	1
				Low	1
Purpose of audit	To provide a review of the monitoring of projects in the community, including delivery against project purpose and objectives, expected timeframes and budgets.	Added value - A review was undertaken of the proposed amendments to approval of the cleaner greener safer funding for projects and grants. The previous process involved the community projects team liaising with ward Councillors regarding the feasibility of projects and grants based on the funding available and shortlisting the projects before final approval was made at a Community Council meeting. This means that decision making on CGS funding is potentially done via 63 individual reports.  We recommended that the team continue to work with ward Councillors to shortlist the projects and grants that are best suited based on the funding available. A final, single report can then be completed and signed off by the head of highways (acting) which incorporates the final project and grant approvals for all wards. At the five multi-ward meetings (north west, north east, west central, east central, and south) this report can be formally approved by ward Councillors. It is not recommended that 63 individual reports are written and approved due to the complexities and documentation involved.			
<b>Background:</b>  The Cleaner Greener Safer (CGS) programme has been provided to Southwark residents since 2003. Over 2,950 projects have been funded in the past 16 years, including playground renovations and upgrades, sports facilities, cycle parking, tree planting, fencing and lighting improvements. The CGS programme funds ideas from residents and organisations in Southwark which improve the local area, applicants must live or work in the community Council area where the scheme is proposed. Funding is not available for events or activities.  Since 2012, 352 grants have been awarded to tenants and residents groups and community organisations. 235 have been completed as at September 2018. Funding amounts range from £100 for small gardening projects to large construction projects. CGS funding is restricted and can only be spent on capital improvements and must also be spent on the original proposal, or on the elements selected for funding by the local Councillors.  For the 2019/20 financial year the CGS budget is £1.88 million. The CGS programme is administered by the CGS team which falls under the Highways Division. Until April 2019, it fell to the local Community Councils to award the funding to specific projects for either officer managed schemes or in the form of grants. Multi-ward meetings took place twice a year where funding presentations and announcing decisions were made. Currently, the allocation and award approval process is under consideration for the appropriate decision making, which is likely to be individual Councillor decisions or ward based.					

**Good Practice:**

We have confirmed through review of a sample of projects and grants that:

- Appropriate documentation is received and maintained.
- Payments are not made until such time that sufficient supporting information has been received.
- Projects and grants are being appropriately managed to ensure they are delivered on time and within budget.

**Key findings:**

- Funding was not committed on SAP for one project despite it being approved.
- Quarterly and end of year reporting is not sufficient in detailing the overall position of the service as the documents are broken down by Community Council area and previous quarterly reconciliations are not retained.

**Conclusion:**

Overall, the service has processes and controls in place which allow for sufficient management of the cleaner greener safer projects and grants. Controls relating to finance should be amended to ensure funding is always committed to SAP at the time a project or grant has commenced to ensure that the financial position is established, and that quarterly and end of year reporting is enhanced to ensure that it is clear on the spend of the service. Consequently, we have provided an opinion of moderate assurance relating to the design of the control framework and substantial assurance on the operational effectiveness of the controls that are in place.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

<b>Design</b>	Add in controls regarding: <ul style="list-style-type: none"> <li>• Funding being allocated on SAP when the project or grant commences.</li> <li>• Quarterly and end of year reporting made more robust.</li> </ul>
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**Follow up**

A follow up the implementation of the recommendations is in progress.

FG35 Client Services October 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
		Moderate	Substantial	Medium	1
				Low	-
Purpose of audit	To provide assurance over applications and proof of needs meeting criteria, decisions on what goods/services or funds are awarded, authorisations and budget monitoring for the Southwark Emergency Support Scheme (SESS) and Hardship Fund (HF).				
<b>Background:</b>  The Council is able to provide support to Southwark residents who are experiencing financial hardship or are experiencing unforeseen circumstances in time of crisis, emergency or disaster and are at risk of harm. Where relief is sought under the Southwark Emergency Support Scheme (SESS), awards are usually made in the form of goods or services, for example white goods, flooring, bedding, clothing or food. Money can be offered in cases where food or fuel is required urgently, for example if they are unable to afford to top up their key meter. To be eligible for funding under the SESS the applicant must be at risk of harm, or the individual requires assistance moving back into the community or to remain in the community. Then the individual must meet personal criteria before assistance can be provided. Assistance is offered through locally sourced items where possible, and cash is only available in limited circumstances. Where relief is sought under the Hardship Fund (HF), a cash award is made allowing the customer to choose which of their priority debts they want to pay. If Council tax or rent arrears exist with the Council, the customer is asked if they wish the Council to pay/part pay the award direct to either Council tax or rent account, however the decision is theirs. For the hardship fund, the applicant must have been adversely impacted by one or more of the welfare reform changes from 1 April 2013, and is unable to service one or more of their debts. Personal criteria also apply and they must be resident in Southwark and be in receipt of a qualifying benefit. Some exclusions also apply. In the last financial year £600,000 was used by these schemes to support customers in financial hardship.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>• Staff follow the appropriate eligibility criteria which is considered for all applications. Application forms and appropriate checks were completed to confirm eligibility.</li><li>• Appropriate support is provided based on the applicant’s needs.</li><li>• The methods for delivering and allowing access to the support is secure.</li><li>• Regular budget monitoring and reconciliations are carried out.</li></ul>					
<b>Key findings:</b> <ul style="list-style-type: none"><li>• For one SESS case, an authorisation email was not attached to the Information@Work document storage system, and for two further SESS cases the team leader had reviewed the application and secondary approval had not been sought.</li><li>• In one hardship fund case, the outcome scoring document was not attached to the Information@Work document storage system detailing the</li></ul>					

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rationale behind the decision. However, it was noted that the applicant was clearly eligible for assistance.

**Conclusion:**

Overall, the service has robust processes in place which are followed by staff, with appropriate applications being approved and appropriate support being given. There was one minor exception relating to the scoring document not being present on the Information@Work document system, and two amendments to be made to processes in relation to procedure guides and approval of SESS applications. These build on existing controls.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

**Design**

- Update procedure guides
- Ensure SESS applications are appropriately approved.

**Follow up**

We have confirmed that the recommendation has been implemented.

ADD03		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
Direct Debit Payments				High	1
December 2019		Design	Operational effectiveness	Medium	1
		Moderate	Limited	Low	-
Purpose of audit	The purpose of the audit is to provide an operational review on the process for the application and approval of direct debits, including a risk assessment and whether they meet the Council’s business needs.		Added value - We completed a financial risk assessment of the direct debit payments by value to reflect the associated risks and appropriate action the Council should take to address the identified risks		
<b>Background:</b> In accordance with the Council’s financial guidance and procedures, direct debits are only available as a payment option when there is no alternative method of payment or this method is financially or operationally beneficial to the Council. To apply for a direct debit, departments must complete a business case setting out the reasons why alternative methods of payments are not appropriate. This must also detail the cost codes that should be charged when payments are taken from the Council bank account. This needs to be appropriately authorised by the departmental finance manager and the Strategic Director of Finance and Governance with a direct debit mandate for completion by authorised signatories. Departments retain responsibility for managing the direct debit payments and must retain relevant documentation for evidentiary purposes. Departments must also ensure the supplier complies with the requirements of the direct debit guarantee and cancel direct debits when they are no longer required. Departments are responsible for ensuring that the appropriate cost codes are correctly charged and make separate arrangements for recharges where necessary. For the financial year 2018-19, 14 different suppliers (for three suppliers a number of departmental accounts are set up) received a total of 1,303 debits totalling £41,780,741. Two of the Suppliers, PWLB and NPower, are responsible for 95% of the value of the direct debits.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>A direct debit payment protocol is in place that includes departmental responsibilities and the need to complete a business case</li><li>Analysis of direct debit payments is carried out by the corporate banking and control team. This includes payments categorised by suppliers and months.</li></ul>					
<b>Key findings:</b> <ul style="list-style-type: none"><li>A business case and a direct debit mandate could not be evidenced for payments made to Scottish Power and British Gas. Payments totalling £13k have been incorrectly made and the Council is now trying to reclaim these</li><li>A periodic review of business cases is not carried out to confirm the validity of payments made and that direct debit payment remains the most beneficial option to the Council</li><li>Up to date records of current responsible officers are not maintained by the corporate banking and control team</li><li>In three cases, the cost codes to be debited are not recorded on a business case</li><li>In one case, the cost code debited per the financial control and processing team’s records did not match that recorded on the business case.</li></ul>					

**Conclusion:**

Basic controls are in place to address risks faced by the Council, including a protocol on direct debit payments that delegates responsibilities to department after obtaining approval of a business case. However, some exceptions were identified in the design of the control including a lack of central oversight to ensure that all direct debit cases are still valid and remain the most beneficial payment option. We identified a number of issues in the operational effectiveness of the controls in place, including business cases and direct debit mandates not being retained, updated records not being maintained by the corporate banking and control team, cost codes to be debited not being recorded on the business case and alternate cost codes to the incumbent business case being debited. These exceptions are described in the detailed findings section of the report.

**Looking forward: supporting the Council's journey from moderate / limited to substantial assurance**

Design	<ul style="list-style-type: none"> <li>• Ensure a periodic review is carried out and recorded for all direct debit payments to confirm that a business case is still valid and direct debit payment remains the most beneficial option</li> <li>• Update the direct debit payment protocol to include the requirement of periodic review of these payments</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• Ensure that a business case is completed by the department and approved by the departmental finance manager and Strategic Director of Finance and Governance per the direct debit payment protocol</li> <li>• Ensure recovery action is initiated for unauthorised direct debit payments with reference to Scottish Power and British Gas</li> <li>• Corporate banking and control team to ensure accurate records including officers responsible and validity of a direct debit payment are maintained at all times</li> <li>• Departments to ensure that accurate cost codes are recorded on the business case and any changes are approved, recorded and communicated to corporate banking and control team and financial control and processing team</li> <li>• Financial control and processing team to ensure written requests are obtained for any changes to the pre-approved payment cost codes. The records should be retained.</li> </ul>

**Follow up**

A follow up the recommendations will be undertaken in April 2020 in accordance with agreed timeframes for implementation.

FG31 Home Ownership - Mortgages October 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
				Medium	2
		Moderate	Moderate	Low	3
Purpose of audit	To provide assurance over the control framework in place to award and monitor repayments for mortgages.	Added value - A review was undertaken of the previously completed mortgage portfolio survey and publicly available information detailing other local authorities and whether they offer mortgages and the fees/interest rates attached to these, and to highlight differences between schemes and where the comparative local authority positions had changed since the survey was submitted.  In respect of changes, for one local authority it was noted that they no longer offered a deferred payment scheme. For two local authorities it was noted that no changes had been made. For one local authority it was noted that an extra £200 fee was incurred for removal of the charge, which Southwark does not charge for. For another local authority, they previously relied on the interest for fees however their position had changed and were not charging £400 which includes removal of the charge. The interest rate charged varied considerably, with one authority providing loans interest free and another charging 7.5%.			
<b>Background:</b> The Council offers mortgages of up to 25 years to Southwark residents to cover the cost of the major works element of their service charges. As part of the Housing (Service Charge Loans) Regulations, the Council can offer both mandatory and discretionary mortgages. The mandatory mortgages have very specific requirements and are relatively inflexible, therefore are not commonly used by the Council. Instead, two types of discretionary mortgages are used  - A voluntary charge, which is a charge placed on the property and redeemed on sale, if the property is re-mortgaged, or if the owner dies, with no payment made in the interim and interest of 2% above base added on an annual basis.  - An interest bearing charge of 1.5% above base, requiring monthly repayments of both capital and interest.  The Council offers interest free loans for a period of 36 months in general if the mortgage is for a resident leaseholder with a loan value less than £7,200. This can be increased to 48 months if the service charge is more than £7,200.					

In order to obtain a mortgage, an application form must be completed and an assessment undertaken of the income of the applicant and their ability to repay the loan. A desktop exercise will also be undertaken of the equity in the property to confirm this. Once an application is successful, the Council will work with their lawyers, Paris Smith, to contact land registry and have a charge placed on the property. All mortgages are monitored on the Cygnus Gemini software, with details of new mortgages, payment details and interest rates entered at the start of the mortgage. Southwark Council has the biggest loans portfolio in London of approximately £10.6million. For 2018-19, 78 new mortgages were issued totalling £974,170.75 with an average value of £12,489.37. There are currently arrears in the region of £37,000, making up 0.3% of the total loan value issued.

**Good Practice:**

- Documentation is in place to show that the loan applications are completed and retained on file.
- Confirmation is received from the external solicitors confirming that the charge has been correctly added to the property.
- Charges are discharged once the mortgages have been fully paid back.

**Key findings:**

- A mortgage was approved and entered onto Gemini for the incorrect amount, however this was noted and the charge was registered for the correct amount.
- Once a mortgage has been paid off, redemptions of the charge do not have dual approval.
- The arrears procedure could be improved by ensuring contact information is up to date and reviewing small debts for write off.
- The monthly reconciliations for three months were not completed correctly and required modification.

**Conclusion:**

Overall, the service has processes and controls in place which allow for sufficient management of the mortgages offered and monitoring of the repayment position. However there were exceptions including a mortgage which was initially added to the Gemini system for the incorrect amount, and the monthly reconciliations included initial errors which needed to be amended. Controls relating to arrears should be amended to ensure arrears action is taken in a timely and effective manner. It was noted that the service is considering moving to a new system and they are currently reviewing the different systems available. This would resolve the majority of the reconciliation issues as it is intended for the system to automatically reconcile with SAP.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

Design	<ul style="list-style-type: none"> <li>• The arrears process should be reviewed and documented</li> <li>• Dual approval for redemptions of mortgages</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• Digital workflow system procured or a checklist should be used to confirm accuracy</li> <li>• Final approval of reconciliations should rest with manager</li> </ul>



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**Follow up**

We have confirmed that the recommendations have been implemented.

FG36 Housing Solutions - Homelessness December 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	2
				Medium	3
				Low	-
		Moderate	Limited		
Purpose of audit	To provide assurance over the controls around the application process, including the acceptance decisions and the accessibility and sustainability of the service.	Added value - Data analytics was undertaken to identify those individuals with the longest stays in temporary accommodation. The five longest cases were reviewed to confirm the reasons behind these stays and whether the cases were fully documented. In four cases, the individuals were bidding for permanent accommodation with offers having been made for two of these cases but rejected by the applicant. For the third case the applicant was bidding on accommodation that was inappropriate and was rejected. For the fourth case, due to possible overcrowding concerns applications had been rejected, however the applicant had been recently placed on the direct offer list and will be offered permanent accommodation in due course For the fifth case, this was an ongoing legal matter and the legal team were instructed to handle this matter. These five stays ranged between 2726 and 3885 days. The Council's priority is to move those out of expensive temporary accommodation and are working on placing these applicants onto the direct offer list.			
<b>Background:</b>  The Homelessness Reduction Act 2017 became enforced on 3 April 2018 and expanded the legal duties of Councils to prevent homelessness for any eligible applicant at risk of homelessness within 56 days, and to relieve homelessness by helping the applicant secure suitable accommodation. This effectively means that the Council must provide meaningful help to everyone who is homeless or at risk of homelessness, irrespective of their priority need status, as long as they are eligible for assistance. The Council's housing solutions service, which incorporates homelessness, has undergone a significant restructure with the number of staff reducing by over 20%. A review of the workload was undertaken in 2018 to confirm that staffing levels remained sufficient to effectively manage the service. The restructure review began in October 2018 with a number of staff leaving shortly after. The new structure for the service will be active from 1 May 2019. Shelter and Solace operate independently from the housing solutions office, with three and two officers in post respectively. Customers can speak with these organisations for specific help with issues or raise concerns over how their case has been managed by the housing solutions service. The Council has the fourth largest number of homeless approaches in the country and the highest number of clients fleeing domestic violence in London, so this approach was adopted in an attempt to increase trust with residents through offering an independent review service, as well as to reduce legal challenges and offer additional validation of decisions. The government now recommend this approach as best practice and advise other local authorities to adopt this. The provision of the Shelter and Solace services annually costs the housing solutions service £125,000 and £42,000 respectively. The service is funded mainly through the Council's HRA fund, however 25% of the budget comes from central government grants.					

**Good Practice:**

- A clear organisational structure is in place
- A staff survey has been recently carried out and feedback is being actioned
- A standstill report (October 2018) has been completed
- A service or process mapping exercise has been completed
- A service end of year Report has been completed
- Monthly reporting of key metrics is completed
- A contract manager for Solace and Shelter has been appointed

**Key findings:**

- Personal housing plan (PHP) documentation was not available for review in two out of 25 cases tested.
- Nine out of 25 cases tested were not processed within the statutory deadline of 112 days.
- The training monitoring schedule does not contain sufficient detail to appropriately manage the training needs of the service, e.g. dates of training, who attended, and whether the training is mandatory.
- Solace and Shelter agreements are not sufficiently robust, excluding basic terms (such as length of agreement and payment terms) and lacking performance targets.
- A budgeting plan is not in place detailing possible solutions to increase funding (such as working with other local authorities and generating income from the private sector) given the likely reduction in government grant.

**Conclusion:**

Due to the training monitoring schedule and budgeting plan being insufficiently detailed, and the agreements in place with third parties Solace and Shelter requiring more detail, we have concluded an opinion of moderate assurance over the design of the control framework. Due to the absence of some key documentation and the late processing of applications we have concluded limited assurance over the effectiveness of the controls in place.

**Looking forward: supporting the Council's journey from moderate / limited to substantial assurance**

Design	<ul style="list-style-type: none"> <li>• Review and update the training monitoring schedule</li> <li>• Complete staff recruitment</li> <li>• Review and update the Solace and Shelter agreements</li> <li>• Complete a business continuity plan/strategy</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• Undertake reviews of officer work</li> <li>• Management checks when approving applications</li> </ul>

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	<ul style="list-style-type: none"><li>• Regular reports of cases approaching deadline</li></ul>
<b>Follow up</b> A follow up the recommendations will be undertaken in February 2020 in accordance with agreed timeframes for implementation.	

ADD01 Leathermarket CBS Grant Award October 2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
				Medium	1
				Low	2
		Substantial	Moderate		
Purpose of audit	To provide assurance that the grant awarded by the Council has been spent in accordance with the Council’s conditions and on the adequacy and effectiveness of the control framework in place for procurement.	Added value - we benchmarked good practice guidance on monitoring of grants with the controls in place at the Council to identify gaps if any. Our work identified that the Council is not performing basic monitoring functions, such as attending board meetings consistently, documenting monitoring discussions and ensuring that regular performance reports are produced by the grantee. These areas were outside the scope of the audit and have therefore not been reflected in the audit opinion but we urged management to address these issues as a matter of urgency.			
<b>Background:</b> In 2013, Leathermarket Joint Management Board (JMB) set up a Community Benefit Society (CBS), whose aim is to bring more ‘Council-rent’ housing to the local areas and improve the local environment. The CBS identified a site, formerly Kipling Estate garages, and approached the Council for funding of a development of 27 new Council funded homes. In July 2016, after a due diligence exercise, including a review of the CBS Business Plan, and approval by the Cabinet, the Council awarded funding of £9,252,000. Total payments made to CBS for this programme stand at £9,661,875, including an interim payment in December 2015 to allow the development to proceed. The Council entered in to a lease and granted a long leasehold interest in the property to the CBS for 125 years in September 2014. The grant agreement is for the period January 2016 - July 2026, representing ten years plus a further 6 months after practical completion of the development. Any liabilities arising at the end of the grant period to be managed and paid for within the total funds awarded.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>• An agreement setting out the terms and conditions for the award of the grant is in place and was signed by representatives from both parties</li><li>• Grant expenditure had been incurred in accordance with the grant conditions and had been used only in the delivery of the project</li><li>• A sound procurement process was in place in accordance with EU regulations. Invitations to tender, scoring sheets and minutes recording the rationale for the chosen supplier had been retained</li><li>• Income received into the CBS bank account had been recorded in the cashbook accurately as restricted and unrestricted income</li><li>• Sampled expenditure items were traced back to the bank statements and accounting records</li></ul> Documentation including invoices had been retained to support expenditure incurred.					
<b>Key findings:</b> <ul style="list-style-type: none"><li>• A former CBS Director was listed as one of the authorised signatories on the bank mandate and the online banking system</li></ul>					

- The authorised signatory list contained out of date and incorrect information
- There is no formally documented guidance on procurement procedures
- Discussions around risk registers had not been recorded in the board meeting minutes.

**Conclusion:**

We have concluded a substantial opinion on the control design and moderate for operational effectiveness. Strong controls are in place to address risks faced by the Council, including a signed agreement setting out the terms and conditions for the award of the grant, adequate arrangements to achieve value for money and maintenance of project accounts clearly showing the income received and expenditure incurred. However, issues were identified around the operational effectiveness of the controls in place including a non-current CBS Director being listed as an authorised signatory on the bank mandate, inaccurate details on the online bank system and discussions around risk registers not being recorded in the board meeting minutes.

**Looking forward: supporting the Council's journey from moderate to substantial assurance**

Effectiveness	<ul style="list-style-type: none"> <li>• Update the authorised signatories on the bank mandate to ensure they include only current staff members, and keep up to date when staffing changes occur</li> <li>• Ensure that the online banking system records accurate information and changes to the authorised signatories are amended on a timely basis</li> <li>• Ensure that discussions around the risk register and any changes made to risks, controls and risk assessment are fully recorded in the board meeting minutes, including agreement to remove risks from the register.</li> </ul>
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**Follow up**

We have confirmed that the medium priority recommendation has been implemented.

HM11 No Recourse to Public Funds January 2020		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	1
		Moderate	Limited	Medium	2
				Low	-
Purpose of audit	To provide assurance over applications for Council funds through NRPF, checks for eligibility, case management, and adequacy of data and records over numbers in the system, financial management and reporting.	Added value - The Council’s draft NRPF Policy “Different Status, Same Values” was reviewed against the national guidance for “NRPF - Assessing and supporting adults” and “NRPF - Assessing and supporting children and families”. All relevant national guidance was being followed.			
<b>Background:</b>  No recourse to public funds (NRPF) is applied to non-UK nationals who have no entitlement to welfare benefits, social housing or UK Government asylum support or are subject to UK Government immigration control. The Council has a statutory duty to provide support to these individuals who also have an assessed care need or families where children are destitute or are at risk of being destitute, and where breaches of a person’s human rights would arise from requiring someone to return to his/her country of origin to have the assessed needs met. Referrals can be received into the Council through a number of routes, including self-referral, hospital discharges, schools and the homelessness service. A referral form must be completed regardless of the route to enable the team to triage referrals and direct these as necessary. The Council provides support for 270 households, consisting of 150 family cases and 120 adult cases. The case load has been decreasing, with approximately 20 cases being resolved and 15 cases being granted support each month. A case is resolved by the family or person’s immigration status changing or through the support no longer being required.  There are currently a number of policies and procedures in place across the NRPF service. One overarching service guide was in the process of being drafted.					
<b>Good Practice:</b>  <ul style="list-style-type: none"><li>There are defined and robust local procedures within the Community Support Unit, in compliance with NRPF network's national practice guidance relating to assessing and supporting adults, children and families.</li><li>The Community Support Unit has draft guidance for its social care services for adults and families with no recourse to public funds and was in the process of developing a "Local guidance for identifying, assessing and supporting NRPF clients residing in Southwark" which will incorporate all the guidance, frameworks, flowcharts and business processes in one complete document.</li><li>A case list is in place for monitoring purposes, acting as an absolute document, extracting all the information from different IT systems such as Mosaic (social care case management), NRPF Connect (Immigration checking service) and Northgate (Housing database), and Allpay (its pre-paid card system). Formally defined guidance is in place and available to staff, describing the process of updating the tracker, for ongoing and new cases.</li></ul>					

- Call credit is used to carry out financial and background checks such as proof of ID, address, employment checks, on those presenting to the Council. These checks assist assessors to determine eligibility for support by identifying if they have access to any undisclosed sources of income. Checks can also highlight a person's address history.
- Several layers of segregation of duties were in place to identify erroneous or fraudulent subsistence payments. The Community Support Unit maintains a tracker for all the payments to be made within a given month. The NRPf Support Officer reconciles the tracker against the pre-paid card system report, on a monthly basis and provides a breakdown, accompanying a payment authorisation form (FTSS-GR Authorisation form), to the Community Support manager for approval.
- Monthly performance and KPIs are monitored through regular Community support unit managers' meetings, with subsequent actions agreed. The performance is then reported to the Housing and Modernisation SMT on a quarterly basis.

#### **Key findings:**

The service is forecasting to achieve a reduction in spend to the Council of around 20% against the level of expenditure two years ago, which can be attributed to the new frameworks and ways of working put in place to manage the service. We were able to confirm that an adequate and well-documented control framework is in place at the Council, although improvements can be made to the controls in place relating to procedures and spot checking on compliance.

Sample testing of 25 individual cases processed since 1 April, 2018 identified a high incidence of exceptions where the process had not been followed and / or controls had not been applied, in particular relating to a lack of timely review of cases and the requirement for ongoing funding:

- In three instances, no case review was available, either in Care store, shared drive or Mosaic.
- In eleven instances, case reviews were overdue, ranging from three to nine months after the expected six months' timeframes.
- In five instances, the financial assessment, was either incomplete, missing or the assessment provided no indication of what support was agreed. In two instances the manager's signature for approval was missing, in two other cases no indication of what support was agreed and in one case, the approval for accommodation support was missing.
- In 14 instances, the assessments and reviews were approved by a duty manager whose name and approval threshold was not included in the Council's approved Scheme of Management (SoM).
- In four instances, the assessment was approved by a duty manager, with a threshold amount higher than what was allocated to them.
- In five instances, the pre-paid card contracts between the client and Council was missing.

#### **Conclusion:**

There is evidence, from the processes examined, that there has been on-going development and tangible improvement with the design and application of controls, since the last audit in 2016 and our follow up in 2018. Improvements have been particularly evident in the procedure documentation and the community support manager is in the process of developing local guidance, which will incorporate all the guidance, frameworks, flowcharts and business processes in one complete document, and set out how the NRPf team are expected to manage cases in a timely, cost effective and efficient manner.



There were however a number of reoccurring exceptions found in testing of the procedures and controls and evidence of non-compliance with some key controls that puts the system objectives at risk. This has resulted in one high and two medium recommendations and consequently led to our moderate assurance opinion with regard to the design of the control framework and limited assurance with regard to the effectiveness of the control framework in practice.

We acknowledge that a number of these weaknesses (and associated risks) are well understood by the NRPf team and are reflective of the development of the structures and processes being in progress.

**Looking forward: supporting the Council's journey from moderate / limited to substantial assurance**

Design	<ul style="list-style-type: none"> <li>• Review and update annually, the Scheme of Management and incorporate changes in Mosaic and SAP, ensuring individuals who have left the Council are removed and replaced by the current employees.</li> <li>• Develop a procedure document that sets out the mandatory fields to be completed on the financial assessment, which should be reviewed before an assessment is deemed to be complete and approved.</li> <li>• Conduct regular spot checks to ensure all the relevant documents are available to review and quarterly training should also be provided to the case workers and other support staff.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• Undertake random reviews or sample checks to confirm that all documentation relating to the support assessment is completed, reviewed every six months, saved centrally and signed off within Mosaic.</li> <li>• Proactively monitor the support plan review dates, and prioritise those that are falling due to be reviewed.</li> <li>• Ensure that all duty managers making key decisions have been updated in the SoD.</li> <li>• Retain a complete audit trail for all the assessments, reviewed and approved/rejected.</li> </ul>

**Follow up**

A follow up the recommendations will be undertaken in April 2020 in accordance with agreed timeframes for implementation.

EL61 Volunteer Management December2019		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	-
				Medium	5
				Low	1
		Moderate	Moderate		
Purpose of audit	To provide assurance over how the risks associated with the use of volunteers are managed, including safeguarding and access to data and payments.				
<b>Background:</b> Volunteers are key to enabling community events and support to take place. Per the latest available official figures, in 2015-16 there were over 44,000 filled volunteer and trustee positions in the Borough of Southwark, contributing over 5 million hours of time. If this was costed at London living wage this would amount to over £47million.					
<b>Good Practice:</b> <ul style="list-style-type: none"><li>• An enhanced Disclosure Barring Service (DBS) check is required for all Library &amp; Heritage Service volunteers and Trading Standards members of staff undertaking test purchases. Our sample testing confirmed this was the case in practice</li><li>• The Library &amp; Heritage Service has a current Southwark Libraries Volunteer Policy, volunteer agreement and volunteer task outlines/role specifications for the management of volunteers in the service</li><li>• The Library &amp; Heritage Service volunteer agreement includes a statement on expectations on confidentiality</li><li>• Training and briefings (inductions) are provided to volunteers prior to an assignment for all services reviewed</li><li>• Parental consent is obtained for test purchase volunteers</li><li>• At least two adults accompany the test purchasers during the test and a remote viewed camera is used for unaccompanied tests</li><li>• Access to Council information systems is restricted to the Home Library Service volunteers. Volunteer user account profiles must be approved by the Library Development Manager before an account can be opened.</li></ul>					
<b>Key findings:</b> <ul style="list-style-type: none"><li>• The Council’s volunteering strategy was out of date and there was no overarching volunteer policy or handbook. In addition the Council did not have a single individual with overall responsibility for the Council’s volunteer program</li><li>• There is no overall Council policy for the vetting of volunteers and there is a lack of clarity on the renewal of DBS checks (some were over 3 years old) and how to engage with past offenders</li><li>• Test purchases risk assessments were not up to date</li></ul>					

- 
- Members of staff use personal cash for Council business owing to a discontinuation of petty cash in 2015-16. In addition the Library & Heritage Service new expense claim procedure was not finalised and expenses claims remain unpaid for volunteers
  - A general user account profile and password is shared amongst Library staff and volunteers.

**Conclusion:**

Our review found that the Council has a moderately designed control environment in that there are assigned members of staff in the services sampled with overall responsibility for volunteers, safeguarding & vetting arrangements, undertaking of risk assessments and restriction of access to Council information systems. However, there was an absence of a Council wide volunteer programme and volunteer policy, draft expense claim procedures and a lack of clarity on the Council's policy on DBS checks for volunteers. We have concluded the effectiveness of these controls as moderate. This is because of an out of date volunteering strategy and risk assessments, a lack of clarity on the review of DBS checks and missing supporting documents.

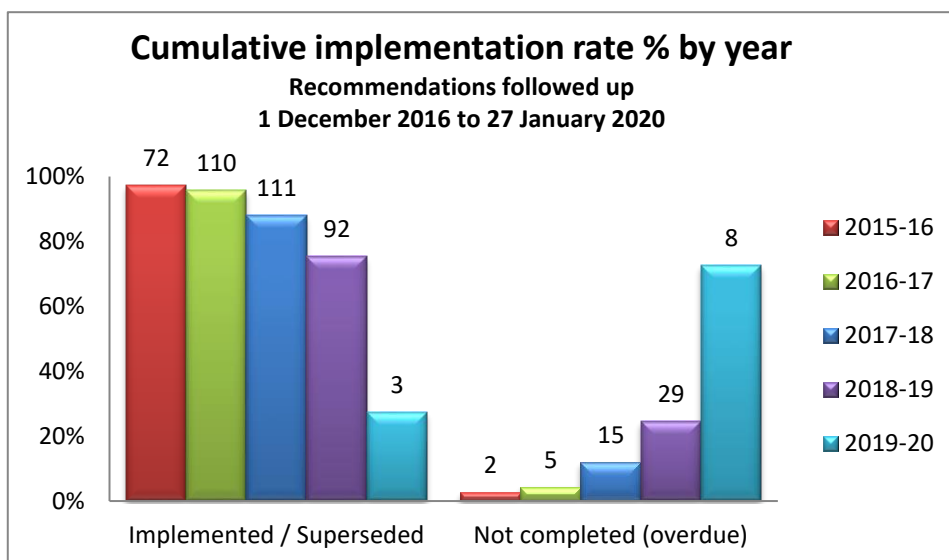
**Follow up**

A follow up the recommendations will be undertaken in June 2020 in accordance with agreed timeframes for implementation.

## 5. SUMMARY OF RECOMMENDATIONS STATUS

The cumulative summary provided here relates to 447 high and medium recommendations followed up in the period when BDO was appointed as internal auditors to the Council on 1 December 2016 to 27 January 2020.

We have confirmed with reference to evidence that 388 (87%) of the recommendations that have fallen due have been implemented.



The implementation status of each internal audit is summarised in the table overleaf. We are awaiting an update, revised implementation date or evidence in 20 cases. The Strategic Director of Finance and Governance has reminded managers of the need to respond to internal audit requests on a timely basis.

Please note:

- *The table includes only those audits previously reported to the committee where the recommendations have fallen due and have not been implemented, and have not been previously reported.*
- *Where management assurance has been provided that the recommendations have been implemented but where evidence is yet to be provided, these are classified as in progress, and stated as such.*
- *The table does not include audits that will be followed up as part of another audit during the year (for example in respect of key financial systems).*

## RECOMMENDATION IMPLEMENTATION RATES BY AUDIT

	Total High & Medium recs raised by BDO due for implementation	Implemented		In progress at the follow up date		Awaiting update, revised date or evidence		% verified complete	Management Implementation dates
		H	M	H	M	H	M		
2019-20 Barrister’s Framework	3	Finance and Governance Department							
		-	-	-	-	-	3	0%	<del>December 2019</del> Revised date to be advised
		Environment and Leisure Department							
2019-20 Play Service	4	-	-	-	-	1	3	0%	<del>November 2019</del> Revised date to be advised
2019-20 Cleaner Greener Safer	1	-	-	-	1	-	-	0%	<del>November 2019</del> Awaiting evidence
2018-19 Residential Placements Children in Care	4	Children’s and Adults Services Department							
		1	2	-	1	-	-	75%	<del>November 2018</del> <del>February 2019</del> Awaiting evidence
		-	1	1	-	-	-	50%	<del>October 2019</del> January 2020
		-	-	-	-	-	3	0%	<del>July 2019</del> Revised date to be advised
		-	-	-	1	-	-	0%	<del>November 2019</del> February 2020
2018-19 Youth and Play Service	4	Environment and Leisure Department							
		1	2	1	-	-	-	75%	<del>June 2019</del> January 2020
		-	2	-	2	-	-	50%	<del>April 2019</del> <del>August 2019</del> <del>September 2019</del> January 2020
		-	-	-	-	-	1	0%	<del>December 2019</del> Revised date to be advised
		-	-	-	2	-	-	0%	<del>December 2017</del> <del>October 2018</del> April 2020

Housing and Modernisation Department									
2018-19 Access to Restricted areas on Housing Estates	8	3	4	1	-	-	-	88%	<del>November 2018</del> <del>February 2019</del> <del>May 2019</del> <del>September 2019</del> Awaiting evidence
2018-19 Temporary accommodation	8	-	3	2	3	-	-	38%	<del>December 2018</del> <del>April 2019</del> <del>June 2019</del> April 2020
2018-19 Housing Applications and Allocations	3	-	1	-	2	-	-	33%	<del>September 2019</del> January 2020
2018-19 Repairs and Maintenance	4	-	1	-	-	-	3	25%	<del>September 2019</del> Revised date to be advised
2018-19 IT Shared Services Arrangement	3	-	-	3	-	-	-	0%	<del>October 2019</del> Awaiting evidence
2017-18 Network Security	8	-	2	2	4	-	-	25%	<del>December 2017</del> <del>October 2018</del> <del>June 2019</del> September 2020
2017-18 IT Disaster Recovery	5	1	1	1	2	-	-	40%	<del>April 2019</del> <del>June 2019</del> <del>October 2019</del> Revised date to be advised
Chief Executive's Office									
2018-19 Business Continuity Planning	7	-	2	-	3	-	-	40%	<del>July 2019</del> <del>October 2019</del> Revised date to be advised
2017-18 Land Charges	5	-	2	1	2	-	-	40%	<del>April 2019</del> December 2019
2016-17 Planning applications	5	-	-	-	5	-	-	0%	<del>October 2016</del> <del>April 2018</del> <del>March 2019</del> <del>June 2019</del> Revised date to be advised
2015-16 S106 Agreements	3	-	1	-	2	-	-	33%	<del>October 2016</del> <del>April 2018</del> <del>June 2019</del> <del>September 2019</del> January 2020

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<b>Housing and Modernisation Department</b>		
<b>2018/19 - Access to Restricted Areas on Housing Estates</b>		
a) The council should undertake a formal tendering process in line with contract standing orders. A formal contract should be entered into.	Acting Head of Traded Services <del>November 2018</del>	<b>Partially implemented</b> A Gateway 1 Procurement Strategy (GW1) has been prepared and signed off by the Director.
b) In the meantime, a service level agreement should be agreed with Callow Master Locksmiths. This should include information relating to how the patent will be stored, who has access to this, and who can request copies.	<del>February 2019</del> <del>May 2019</del> September 2019	Procedures have been developed to guide managers and operatives on the correct procedures to follow for access and entry into restricted areas including process of ownership.
c) Site visits should be undertaken on an intermittent basis to confirm that this has been complied with. d) Regular and routine usage reports should be requested (we would suggest quarterly as a minimum) to allow for a reconciliation against the council's records for which keys have been copied to confirm these reconcile. This reconciliation should be undertaken by an independent officer, documented and counter signed by a reviewer.		A Gateway 2 Procurement Strategy (GW2) is being prepared for sign off in September 2019.  We followed-up in October 2019 and in January 2020 to seek an update on the implementation status. We are awaiting a response.
<b>High</b>		
<b>2018/19 - Temporary Accommodation</b>		
Management should ensure that all staff involved in the process of collecting, checking and confirming invoices are required to update iWorld to match the data in the financial system (SAP). Reconciliation of the two systems should then happen at regular intervals to ensure that the information contained in one matches the other. Any inconsistencies should be followed up and resolved and the reasons for recurring inconsistencies should be investigated and addressed. Longer term, the two systems should be integrated and information input in one system should automatically update in the other.	Placements Team Manager <del>November 2018</del> <del>July 2019</del> April 2020	<b>Partially implemented</b> The Support Team has developed an early draft sign in register policy for the council that will be shared with partners. This clarifies under what circumstances an invoice will be processed without a sign in, deadlines, exceptions, who is responsible for each stage of the cancellation process when no response is received. A meeting was held with Housing Solutions, TA Income, and Northgate Support on 10 May 2019. Intention to reconcile Northgate data with SAP. The aim is initially to do this for TA types (e.g. nightly rate self-contained) and then possibly by provider. The current process is for all TA invoices to get checked against iWorld data before being authorised. A design improvement is to be made to reduce fraudulent activity risk in the Business Support Team by annually rotating which TA providers' invoices are assigned for checking for each BSO. At present the BSO is assigned certain providers and these are not rotated. Finance are leading on a project to
<b>High</b>		

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		reconcile the two IT systems or provide a solution to the IT integration issues.  We were advised that the revised implementation date for this is 1 April 2020.
<p>a) Management should have formal agreements with landlords and agents that state the standards expected by providers of private properties. The council is currently in the process of deciding on a suitable property procurement framework in collaboration with the legal department (discussed in finding 8). The requirement for a formal agreement can be discussed and the best course of action decided upon as part of any new procurement process. The council then needs to determine a cost effective way of verifying the standards provided. b) Management should review the procedure for the incentive payments to landlords and ensure there is a formal policy and agreement with the providers regarding the council's right to claw back payments. The criteria and recourse specifics for such action should be clear to landlords. Staff should also be informed to be able to implement the policy consistently. This can also form part of the current discussions regarding the procurement framework.</p> <p><b>High</b></p>	<p>Overall - Manager, Housing Solutions Support - Procurement Officers, Placement Officers; Visiting officer, Resettlement officers, Reviews officers</p> <p><del>January 2019</del> July 2019</p>	<p><b>Partially implemented</b></p> <p>Management has responded that they are in the process of drawing up a generic agreement, which will be formulated with all providers. This will include the standards expected to adhere to. They have met with legal on several occasions with the last meeting taking place on 10 May 2019. Further external advice is being sought. Management does not have data on the spot checks of 15% properties. They have recently updated the web inspections form to allow updating via tablet. As part of a review of the providers (Nightly paid to PSL), it has been identified that more inspections will be required. Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for this as the team is dependent on legal services obtaining external legal assistance.</p> <p>This was followed-up in October 2019 and management has responded that they are awaiting guidance from legal services.</p>
<p>A reconciliation needs to be completed on a monthly basis to reconcile the data held on iWorld and SAP for the length of stay by clients at a property and the amounts being charged to ensure the correct information is being recorded in each system.</p> <p><b>Medium</b></p>	<p>Overall - Group Services Manager, Housing Solutions Support - Project and change manager, Divisional accountant, Principal operations manager</p> <p><del>April 2019 and June 2019</del> <del>July 2019</del> April 2020</p>	<p><b>Partially implemented</b></p> <p>As per above, Finance are leading on this matter to attempt to reconcile the two IT systems or provide a solution to the IT integration issues. We have informed that the revised implementation date for this is 1 April 2020</p>
<p>a) Management should ensure that staff implement the payment controls in place, such as the daily register reconciliation with invoices received for nightly lets. There should be periodic reviews of the process by appropriately senior staff to confirm the control has been implemented consistently and a record of the</p>	<p>Business Support Manager</p> <p><del>January 2019</del> <del>July 2019</del> October 2019</p>	<p><b>Partially implemented</b></p> <p>Management has responded that the restructuring within the service has halted the implementation of agreed future procedures. There is no longer a Business Support Manager within the current structure and work is under way to find a</p>



## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>review should be kept. Any instances identified where the control has not been implemented should be followed up with the staff member responsible.</p> <p>b) Management should also ensure that payment reconciliation of nightly lets are reviewed by the Business Support Manager before they are sent to finance for payment. A record of the review should be kept and senior management should periodically review the record to ensure the control is implemented. Any instances identified where the control has not been implemented should be followed up with the staff member responsible.</p> <p>c) The Business Support Manager should review the reconciliation of payments for private sector leases before they are sent to finance to ensure any unusual payments are identified and investigated. To manage the work load this control may bring about, the review can happen for amounts over a certain limit. A record of the review should be kept. The Procurement Manager should communicate any reviews they might have performed themselves to avoid duplication.</p> <p>d) Management should increase resilience of the service regarding the reconciliation of PSL payments, by ensuring that other members of staff are able to perform the reconciliation. The business support team, whose duties include the reconciliation of invoices to tenancy records, should be able to understand the process and perform the task when necessary for PSLs as well as for the nightly lets. The Procurement Assistant currently responsible should also create detailed guidance notes for the process.</p> <p>e) The reconciliation of invoices can be streamlined and made more efficient if providers are required to send their invoices on standard templates that will allow staff to quickly and easily identify the information they need. The prospect should be examined as part of the current rethinking of processes and procurement framework.</p> <p><b>Medium</b></p>		<p>replacement. All Nightly paid cases are however recorded and this is listed on the system. This figure is monitored on a weekly basis and reported to senior management. Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for this as the team is dependent on legal services obtaining external legal assistance.</p> <p>This was followed-up in October 2019 and management has responded that they are awaiting guidance from legal services.</p>
<p>a) Management should ensure that a formal decision on the exemption from using the Contract Standing Orders is approved and recorded as well as the reasons for the exemption.</p> <p>b) They should also record any discussions, decisions and reasons for the frameworks to be</p>	<p>Business and Procurement Manager</p> <p><del>March 2019</del></p> <p>July 2019</p>	<p><b>Partially implemented</b></p> <p>As above, Legal services are supporting the service to establish agreements to allow the service to launch a tendering exercise. We were advised that there is no timeframe for</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>used instead and any other ways they ensure value for money in the procurement of properties. Their meetings with the Legal team and Corporate Procurement should provide direction and advice on what is the best course of action around this issue.</p> <p><b>Medium</b></p>	October 2019	<p>this as the team is dependent on legal services obtaining external legal assistance.</p> <p>This was followed-up in October 2019 and management has responded that they are awaiting guidance from legal services.</p>
<b>2018/19 - Housing Solutions - Applications and Allocations</b>		
<p>The policy and procedures should be reviewed to ensure that they are complete and up to date, including a scheme of delegation for authorisation of direct offers. Each document should include the following information on the cover:</p> <ul style="list-style-type: none"> <li>▫ Date of review, version number, who was the policy approved by, list of amendments to the previous version</li> <li>▫ Date of next planned review (we would recommend that policies and procedures are subject to a routine annual review).</li> </ul> <p><b>Medium</b></p>	<p>Housing Choice and Supply Manager</p> <p><del>Summer 2019</del></p> <p>January 2020</p>	<p><b>Partially implemented</b></p> <p>Management has responded that this is partially completed and is outstanding due to sign-off from senior management team and politicians.</p> <p>We followed-up in January 2020 and are awaiting a response.</p>
<p>a) The viewing officer should have a checklist that indicates what they need to confirm with the applicant at the viewing stage and the evidence seen to ascertain the applicant is still eligible</p> <p>b) The periodical review process for a small number of offers should be formally agreed and included in the procedures to ensure continuity of the practice</p> <p>c) File completeness and standard of documentation should be part of staff's performance review to emphasize the importance of the process.</p> <p><b>Medium</b></p>	<p>Housing Choice and Supply Manager</p> <p><del>May 2019</del></p> <p>January 2020</p>	<p><b>Partially implemented</b></p> <p>Management has responded that this is partially completed and is outstanding due to postponed review meetings with Lettings team. This is now scheduled for November 2019.</p> <p>The periodic review is completed informally at point of offer but not on specific random samples. We have been advised that the revised implementation date for this is December 2019.</p> <p>We followed-up in January 2020 and are awaiting a response.</p>
<b>2018/19 - IT Shared Services Arrangement - Advisory Review</b>		
<p>1. Review the decision making process regarding the improvement plan and whether there should be more involvement and input by Southwark's internal ICT staff to ensure decisions about the service improvement address the Council's needs and interests.</p> <p>2. Ensure that the continuous improvement plan and new approach as decided by SICTS addresses</p>	<p>Head of Digital Services, SICT / Joint Management Board</p> <p>Head of Digital Services, SICT / Operational Management Board</p>	<p><b>Partially Implemented</b></p> <p>Management has responded that the Operations Management Group organised a meeting regarding continual service improvement plan and discussed all items included on the plan leading to a rationalised plan which was agreed by the authorities.</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>the issues and failings identified by Southwark in the services they receive from SICTS. Decisions and agreements regarding the plan should be formally documented.</p> <p>3. The council should review the shared ICT agreement and ensure that the terms provide sufficient leverage in the event that performance does not improve”.</p> <p><b>High</b></p>	<p>Head of Digital Services, SICT / Joint Management Board</p> <p><del>September 2019</del></p>	<p>It was agreed that they will include on their terms of reference the ongoing monitoring of the CSI plan and deliverables as part of their remit and as such updates will be provided to this group in conjunction with the regular high level updates to the joint management board.</p> <p>We are awaiting minutes of the Operations Management Group meeting to evidence this.</p>
<p>1. Ensure that the project register is completed consistently by all the owners and it provides adequate detail regarding the owners, target completion dates, metrics (at least target and achieved), progress against initial plan as well as issues and delays and actions taken to resolve these.</p> <p>2. The short, medium and long term projects and initiatives should be planned in advance and documented showing clearly what the expected outcomes and benefits will be, how these fit with the review findings and recommendations or other agreed improvement needs, the tasks or steps that will be taken to achieve them, time-scales and milestones.</p> <p><b>High</b></p>	<p>Head of Digital Services, SICT / Operational Management Board</p> <p><del>September 2019</del></p>	<p>As above</p>
<p>1. There should be a formally agreed and documented governance structure for the CSIP clearly showing how the plan will be monitored and who it will be reported to at various levels.</p> <p>2. The Council should agree the role and responsibilities of the individuals and the Boards that are part of the governance structure for the CSIP.</p> <p>3. The governance arrangements should ensure that the IT Heads of Departments for the partner councils are kept informed about progress and their responsibilities are also formally agreed regarding the CSIP.</p> <p><b>High</b></p>	<p>Head of Digital Services, SICT / Joint Management Board</p> <p><del>September 2019</del></p>	<p>As above</p>
<b>2017/18 - Network Security</b>		
<p>All devices that are running unsupported operating systems should be upgraded to operating systems that are supported by the developer. Where it is not possible to upgrade the operating system of a device, it must be isolated from the council's IT network and appropriate security controls should be</p>	<p>Enterprise Architect - IT Shared Services</p> <p><del>July 2017</del></p> <p><del>June 2019</del></p> <p>September 2020</p>	<p><b>Not implemented</b></p> <p><b>Management comment on progress</b></p> <p>This recommendation has been affected by a change freeze that was put in place until 15/01/18 due to the transition to the shared ICT service and SAP HANA. Evidence</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
implemented. <b>High</b>		<p>was provided of the road map to upgrades, with non-compliant servers being addressed by September 2018 for the transition to shared ICT service servers.</p> <p>This activity will continue until the completion of the Southwark datacentre migration to the new datacentre.</p> <p><b>Management update August 2019</b></p> <p>This work has been affected by the failed Data Centre (DC) move. There are currently 118 Windows 2003 servers which need to be upgraded or decommissioned. There are a number of XP desktops in use in the council as there is no satisfactory solution on modern desktops to match the functionality. The 2003 servers will be picked up as part of the cloud migration project, Microsoft do not support 2003 in Azure so they will have to be upgraded or decommissioned.</p>
<p>Management must apply all missing operating system and firmware patches to the council's IT estate. Where an operating system or firmware patch cannot be applied to a device the council should implement appropriate security arrangements. Furthermore, there should be a defined and consistent procedure in place for applying operating system and firmware patches as and when they are made available.</p> <p><b>High</b></p>	<p>Enterprise Architect - IT Shared Services</p> <p><del>July 2017</del> June 2019</p>	<p><b>Recommendation addressed</b></p> <p><b>Management comment on progress</b></p> <p>A review has been undertaken to apply patches. A risk-based approach is being taken to ensure continuity of systems. Processes were explained and provided for testing and applying patches. This procedure will be put in place as part of the data migration project to ensure that shared ICT service servers run with only appropriate patches. Ongoing System Centre Config Manager (SCCM) is being used to deploy updates, windows 2003 servers which can't be patched are part of the project to upgrade during the datacentre moves.</p> <p><b>Management update August 2019</b></p> <p>Ongoing System Centre Config Manager (SCCM) is being used to deploy updates, windows 2003 servers which can't be patched are part of the project to upgrade during the datacentre moves now with the move to Azure.</p> <p>Firmware updates were not put in place as the plan was to move to the new DC's. There is a risk from applying firmware that the servers may become unresponsive.</p> <p>Ongoing program as there are new patches and firmware to apply.</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>Management should establish a complete record of the council's firewall rules, which includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• The service that the firewall rule supports, including the owner of the service</li> <li>• Whether the rule allows for inbound, outbound or both connections</li> <li>• The expected levels of traffic for the rule.</li> </ul> <p>Furthermore, a full review of the Council's internal and external firewall rules should be performed and, where necessary, insecure or redundant rules should be removed.</p> <p><b>Medium</b></p>	<p>Enterprise Architect - IT Shared Services</p> <p><del>July 2017</del> <del>June 2019</del> September 2020</p>	<p><b>Not implemented</b></p> <p><b>Management comment on progress</b></p> <p>As part of the data centre migration, firewall rules will be reviewed and vendors will be consulted to establish the required rules for their products. The shared ICT service has elected to not copy and paste the rules across due to the risks associated. Evidence was shown of the security management policy which addresses the recommendation and will be put in place. During the move to the new datacentre new Firewall rules will be created and documented. This will allow for the removal of obsolete firewall rules as only active rules will be migrated across.</p> <p><b>Management update August 2019</b></p> <p>This work has also been affected by the failed DC move. As the services were not moved the review of rules did not take place. Funding has been sort to carry out a full review of firewall rules. During the move to Azure the firewall rules will have to be review and migrated as services are moved to Azure.</p>
<p>The anti-malware signatures for all council IT assets should be updated with the most recent antimalware signature. Devices that cannot be updated should be isolated from the council's IT network. Furthermore, Capita should be required to provide assurance that the devices running the Microsoft Endpoint anti-malware solution have up to date anti-malware signatures.</p> <p><b>Medium</b></p>	<p>Enterprise Architect - IT Shared Services.</p> <p><del>October 2018</del> June 2019</p>	<p><b>In progress</b></p> <p><b>Management comment on progress</b></p> <p>A review of antivirus and anti-malware issues will be undertaken as part of the data centre migration. Evidence was provided of the antivirus procedures that will be put in place. The Symantec Anti-virus pattern files are updated on a regular basis. Symantec licenses have been extended until November 2019. With the move to the new datacentre System Centre Endpoint Protection (SCEP) will be deployed and updated. Symantec reports are now available to show coverage.</p> <p><b>Management update August 2019</b></p> <p>The Symantec Anti-virus pattern files are updated on a regular basis. Symantec licenses have been extended until November 2019. With the move to the Azure System Centre Endpoint Protection (SCEP)</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		will be deployed and updated. Symantec reports are now available to show coverage. This work is ongoing as new pattern files come out daily. The Thin clients do not have any AV and it has been noted that the Citrix sessions have not had any kind of AV installed. There are options for AV on Citrix but this could impact performance and require more Citrix infrastructure in the estate to cope with the impact.
<p>The council's IT network diagram should be reviewed in order to establish whether:</p> <ul style="list-style-type: none"> <li>• Connections to external networks are secured</li> <li>• Appropriate redundancies exist within the IT network to prevent a loss of service.</li> </ul> <p>Action should be taken to address any issues with the design and configuration of the IT network.</p> <p><b>Medium</b></p>	<p>Enterprise Architect - IT Shared Services.</p> <p><del>May 2017</del> June 2019</p>	<p><b>Recommendation addressed</b></p> <p><b>Management comment on progress</b></p> <p>Work on this remains in progress, delays caused by link issues between Spring and the new datacentre have delayed moves. An audit has been carried out by Fordway of all the links in to the old datacentres. Virtual Private Network (VPN) links are secure. During the move of services which should be in the demilitarized zone (DMZ) will be placed within the DMZ in the new network infrastructure being deployed by Fordway and Axiom.</p> <p><b>Management update August 2019</b></p> <p>Further work has taken place to improve the link redundancy for Southwark with link an extra link commissioned at Tooley Street. No other network improvements are planned at this time.</p>
<p>Network activity should be baselined and proactively monitored in order to identify unusual or suspicious activity. This monitoring should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• A record of the balance of network activity and external traffic</li> <li>• A record of all open and closed ports and where these have been changed</li> <li>• A record of standard network activity for any given time, which includes known peaks.</li> </ul> <p>Furthermore, management should establish a programme to review the efficacy of the network security controls that have been deployed.</p> <p><b>Medium</b></p>	<p>Enterprise Architect - IT Shared Services.</p> <p><del>October 2017</del> <del>May 2019</del> September 2020</p>	<p><b>Recommendation not implemented</b></p> <p><b>Management comment on progress</b></p> <p>When the council transitioned from Capita, Capita retained the configuration of the System Centre Operations Manager (SCOM) monitoring system as intellectual property. As part of the data migration project, the shared ICT service will review the monitoring requirements and reconfigure SCOM to address this recommendation. This security design has now been implemented. A server plan has been provided that shows that this process is underway. As the servers are moved to the new network infrastructure, the new Juniper infrastructure has some Intrusion Detection built in. This will log anomalies to the monitoring infrastructure. The monitoring solution (Splunk) is in place and being configured. The new network is scheduled</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
		for completion in early 2019 with all the servers being moved on to it as part of the moves from Spring\Cody and Tooley street.
<b>2017/18 - IT Disaster Recovery</b>		
<p>A risk assessment of the council's ICT service must be performed in order to identify:</p> <ul style="list-style-type: none"> <li>▫ The threats to the continuity of the council's ICT services</li> <li>▫ The mitigating actions that have been put in place and the residual risk to the council.</li> </ul> <p>A business impact assessment should be performed in order to determine the impact on the council of the loss of its ICT services, including the financial, reputational, and regulatory impacts.</p> <p>The shared ICT service should review and revise its recovery arrangements based on the business impact and risk assessments</p> <p><b>High</b></p>	<p>Emergency Planning &amp; Resilience Manager</p> <p><del>September 2018</del></p> <p>Revised date to be advised</p>	<p><b>Not Implemented</b></p> <p>In July 2019, client had responded that the recommendations have not been implemented and it is difficult to suggest a revised implementation date due to business continuity plan for IT shared service being the responsibility of the shared service provider.</p> <p>We followed-up in August and October 2019 and are awaiting to be advised of a revised implementation date.</p>
<p>The council should define the Recovery Time Objectives and Recovery Point Objectives. Based on the defined RTO and RPO, management should prioritise the recovery of the council's critical IT services and align all continuity and recovery plans to these objectives.</p> <p>The criticality and priority of the council's service should be reviewed on a routine basis or following a significant change.</p> <p><b>High</b></p>	<p>Emergency Planning &amp; Resilience Manager</p> <p><del>September 2018</del></p> <p>Revised date to be advised</p>	<p>As above</p>
<p>As the Shared ICT Service is now responsible for the management of Council's disaster recovery, a new IT Disaster Recovery Plan should be developed so that it is aligned to and supports the council's recovery priorities and includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>▫ The RTO and RPO for critical IT infrastructure, hardware, and systems</li> <li>▫ The recovery procedures for the council's IT infrastructure, hardware and systems</li> <li>▫ The procedures for invoking the council's IT Disaster Recovery Plan</li> <li>▫ The contact details for all key members of IT, the council and Third Party suppliers</li> <li>▫ The location of alternate sites.</li> </ul>	<p>Head of ICT Shared Service</p> <p><del>March 2019</del></p> <p>Revised date to be advised</p>	<p>As above</p>



## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>The IT Disaster Recovery plan should be provided to the council's Head of IT &amp; Digital Services and stored securely so that it can be accessed in the event of a disaster. The IT Disaster Recovery Plan should be updated following the completion of the migration to the shared ICT service and then reviewed on a routine basis or following a significant change.</p> <p><b>Medium</b></p>		
<p>The Shared ICT Service should establish the backup procedures to reflect the revised method of performing, transporting and storing backup media. This should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>▫ Roles and responsibilities</li> <li>▫ Backup strategies</li> <li>▫ How backup files are restored</li> <li>▫ Procedures for the secure disposal of tapes</li> </ul> <p>There should be a process in place to review the procedures on a routine basis or following a significant change.</p> <p><b>Medium</b></p>	<p>Head of ICT Shared Service</p> <p><del>March 2019</del></p> <p>Revised date to be advised</p>	As above
<b>Children's and Adult's Services Department</b>		
<b>2018/19 - Residential Placements - Children in Care Service</b>		
<p>Evidence of the High Cost and Quality Panel's decision for each individual case should be recorded on the appropriate case notes. Management should undertake periodic quality checks to ensure that panel decisions are being recorded on the individuals' files correctly.</p> <p><b>Medium</b></p>	<p>Access to Resources - Service Manager</p> <p><del>November 2018</del></p> <p><del>February 2019</del></p> <p>July 2019</p>	<p><b>Management assurance received that the recommendations have been implemented, awaiting evidence.</b></p> <p>We are awaiting system screenshots as evidence to confirm that this recommendation has been implemented.</p>
<b>2018/19 - Mosaic Operational Audit/Payments</b>		
<p>a) All documentation relating to the costs associated with each client should be completed, saved centrally and signed off within Mosaic. Staff should be reminded of these requirements and further training provided if necessary.</p> <p>b) Mosaic systems and support team should take a proactive approach rather than reactive, in analysing all the cases processed within the month, to highlight the incomplete records and inform relevant managers to ensure compliance</p>	<p>Adult Social Care</p> <p>a) March 2020</p> <p>b) September 2019</p>	<p><b>Partially Implemented</b></p> <p>a) Management has responded that a health check was completed by Servelec (the Software Suppliers for Mosaic). The agreement was made to reconfigure the system, once a demonstration of the best practice system configuration has been given to the service (to take place on the 22nd October 2019), which is based on feedback from System Users in other Local Authorities. The demonstration will inform the final design and business process, which</p>



## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
and full utilisation of the Mosaic System. <b>High</b>		is to be signed off by the business.  b) Requests for account deactivations now come via the Hornbill Case Management system. This signposts callers to the need to reassign work before closing or amending the details of a member of staff. This issue was raised with the Performance Team, who run a yearly audit on staff leavers. The management advised that they should contact the Managers involved and inform them that work needs to be reassigned. Hiring of a Systems Trainer on the Systems Support Team, to train staff on how to reallocate cases is underway.  We conducted a follow-up of this in January 2020 and are awaiting a response.
<b>2018/19 - Commissioning</b>		
As part of contract management files, a signed copy of the contract should be held. A review of all current arrangements should be undertaken to confirm the completeness of contract documentation, Where these are not available the council should take appropriate steps to obtain copies of the contract from the providers or seek to put new contracts in place. <b>Medium</b>	Director of commissioning, children and adults  <del>October 2019</del> February 2020	<b>Partially Implemented</b>  Management has responded that due to the absence of the Quality and Performance Manager, the status of the implementation will be provided in February 2020.  We will follow-up in February 2020 to seek an update.
<b>Environment and Leisure Department</b>		
<b>2019/20 - Cleaner Greener Safer Programme</b>		
On a quarterly basis formal budget monitoring should be completed based on the amounts spent and to be spent across the whole service and recorded in a single spreadsheet. These individual spreadsheets should be retained and a new document created on a quarterly basis updating the progress of the previous monitoring. At the end of each financial year a final document should be created highlighting the total over and underspend and the action taken to balance this <b>Medium</b>	Group Manager - Community Projects  November 2019	<b>Partially Implemented</b>  We are awaiting reports for Quarter 3, Quarter 4 and annual report as evidence to confirm that this recommendation has been fully implemented.
<b>2018/19 - Youth and Play Service</b>		
Spot checks should be undertaken by an independent officer on a monthly basis (for a minimum of 10% of sessions held) to agree the following:	Head of Culture <del>January 2019</del>	<b>Not implemented</b>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<ul style="list-style-type: none"> <li>Bookings per the booking schedule reconcile with the signing in book and booking agreements</li> <li>Invoices issued reconcile with the bookings</li> <li>Amounts invoiced reconcile with the bookings and agreed fees and charges</li> <li>Payment has been received for sessions that have been undertaken. If payment has not been received, it should be confirmed whether this is due to a time lag in the clearing of the amount or whether this is non-compliance with the payment terms.</li> </ul> <p>The items in the sample should be selected from both the bookings schedule and the signing in book to allow both to be reviewed for completeness and accuracy.</p> <p><b>Medium</b></p>	January 2020	<p>Management has responded that no reconciliations have been undertaken to date.</p> <p>We followed-up in January 2020 and are awaiting a response.</p>
<b>2018/19 - Markets</b>		
<p>a) When the annual renewal process is undertaken for the upcoming financial year, a review of all ongoing traders' files should be undertaken to ensure that all supporting documentation has been provided. If any missing documents are identified, these should be requested prior to the permit being renewed.</p> <p>b) When undertaking walk-arounds at the markets, it should be confirmed that current pitch plates are displayed by all traders. Any non-compliance should be recorded to identify any traders consistently not displaying their pitch plates.</p> <p>c) When confirming registration with the food hygiene team, the registration number should be recorded on the application form to evidence this check has been undertaken. The expectation regarding food hygiene certificates should be clarified to ensure consistent documentation is provided by traders. This should then be requested and ensure it is retained for all relevant traders during the 2019-20 renewal process.</p> <p><b>Medium</b></p>	<p>Markets Team Leader</p> <p><del>March 2019</del></p> <p><del>August 2019</del></p> <p><del>September 2019</del></p> <p><del>January 2020</del></p> <p>April 2020</p>	<p><b>Partially implemented</b></p> <p>Management has responded that final updates are being made this month and a phased roll out of the FGL programme is scheduled to start this month. It is planned that the renewals, registrations and pitch allocations through FGL will all be in place by April 2020.</p> <p>We will conduct a further follow-up to in April 2020</p>
<p>a) Trading licences should record the location the trader is permitted to trade from to ensure the correct fee is paid and the trader does not unknowingly receive a discount.</p> <p>b) Invoices should only be accepted from temporary traders for the correct value for that day. If an incorrect invoice is presented, it</p>	<p>Markets Team Leader</p> <p><del>February 2019</del></p> <p><del>August 2019</del></p> <p><del>September 2019</del></p>	As stated above.

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>should be explained that this can be used at a later date, however a correct paid invoice must be presented to allow trading for that day.</p> <p>c) Invoices for application and renewal should be held in traders' files, recording the purpose of the invoice clearly. Prior to renewal licences being issued, it should be confirmed that these invoices have been paid, with the officer undertaking the check signing the invoice as confirmation the payment has been received.</p> <p><b>Medium</b></p>	<p><del>January 2020</del></p> <p>April 2020</p>	
<b>2017/18 - Corporate Energy</b>		
<p>For each of the council's buildings in the green building programme a performance target should be set for each key area and should be allocated to an officer who should monitor and report to senior management on performance to enable the council to evidence how it is reducing costs and its environmental impact. The energy team should further enhance communication with departments on how the green buildings programme is progressing and how staff across the council can play a role in achieving the council's targets.</p> <p><b>Medium</b></p>	<p>Sustainability &amp; energy manager</p> <p><del>September 2018</del></p> <p>March 2020</p>	<p><b>Superseded</b></p> <p>Management has responded that in March 2019 the council declared a Climate Emergency, stating it would do everything it could to accelerate its current carbon reduction programmes and become a carbon neutral borough by 2030. In light of this, a review of the council's entire approach to sustainability and carbon reduction is being carried out and a new programme developed. This has superseded the current green buildings programme and placed a hold on the capital programme. It is likely that elements of these programmes will be incorporated into the revised strategies and work streams, and new governance arrangements will be introduced. It is expected that a draft carbon reduction strategy will be produced in Q3-Q4 2019.</p> <p>We will follow-up the recommendations in light of the above in April 2020.</p>
<p>A formal programme and budget plan for use of the capital carbon fund should be developed to clearly show where funds have or are to be allocated. This can then be monitored along with the outcomes from the original proposal to ensure the fund was used appropriately. To support the above, the energy team should liaise with the appropriate forums to ensure council staff are aware of the capital funding for carbon reduction and how proposals to obtain funding covering how the funding might be used.</p> <p><b>Medium</b></p>	<p>Sustainability &amp; energy manager</p> <p><del>September 2018</del></p> <p>March 2020</p>	<p>As Above</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<b>Chief Executive's Office</b>		
<b>2018/19 - Business Continuity Planning</b>		
<p>1. We recommend that the council sets a date for the approval of the overarching BCP. The approved version of the overarching BCP should be made accessible to staff on the intranet, and hard copies stored in accessible locations. The emergency planning team should carry out a review of information systems to establish system prioritisation with regards to business continuity.</p> <p><b>Medium</b></p>	<p>Overall - Emergency Planning &amp; Resilience Manager</p> <p><del>June 2019</del></p> <p><del>October 2019</del></p> <p>Revised date to be advised</p>	<p><b>Partially implemented</b></p> <p>Each department continues to work on developing their individual business continuity plans.</p> <p>If a critical function of a departmental is reliant on an IT application the business continuity plan should identify alternative means of delivering that service should the IT fail.</p> <p>The individual plans contain a prioritised list of departmental functions which give a description of each function and its importance together with the mitigation should the primary means of delivering the function be unavailable.</p> <p>Given the complexity of departmental structures and the comparatively new formation of the Place &amp; Wellbeing department not all departments have completed and tested their BC plans although all now have a plan in place. Earlier in the year we (EP) facilitated a council wide BC exercise which is identified the benefit of exercising individual BC departmental plans and departments are being supported to deliver their own BC exercises.</p> <p>We conducted a further follow-up in October 2019 to seek an update and are awaiting a response.</p>
<p>2. All departments should have in place an up to date BCP and set a date for approval and ensure their BCP is approved via the relevant channel. All departmental BCPs should be subject to at least annual review and approval. All BCP leads should undertake a full review of their BCPs on an annual basis and have their BCPs approved by the strategic director. Named contacts and contact details should be reviewed and updated on a six monthly basis, as per the guidance within the BCPs. The emergency planning and resilience team should ensure that documentation kept in the BECC is also reviewed and replaced with hard copies of the up to date information.</p> <p><b>Medium</b></p>	<p>Overall - Emergency Planning &amp; Resilience Manager</p> <p><del>June 2019</del></p> <p><del>October 2019</del></p> <p>Revised date to be advised</p>	<p>As above</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<p>3. Contact details should be reviewed and if necessary updated at least once every six months, as per the guidance within the council's BCP. All departmental BCPs should be updated to include all relevant information, as per the template provided by the Emergency planning &amp; business resilience team.</p> <p><b>Medium</b></p>	<p>Overall - Emergency Planning &amp; Resilience Manager</p> <p><del>June 2019</del></p> <p><del>October 2019</del></p> <p>Revised date to be advised</p>	<p>As above</p>
<b>2017/18 - Land Charges</b>		
<p>All costs associated with the provision of the land charges service should be determined for a one year period, including both direct and indirect costs. This information should be collated and compared to the total number of searches provided over a one year period to determine an approximate cost per search. This should be compared to previous years to determine how the level of requests will impact on the expenditure to determine the fixed and variable costs, to allow for the costs to be extrapolated to ensure that they are in line with projections for future requests. The information should be reviewed annually to ensure it remains a true reflection of costs.</p> <p><b>High</b></p>	<p>Planning support and land charges manager Group manager - validation and fast track Director of planning</p> <p><del>March 2019</del></p> <p><del>May 2019</del></p> <p>December 2019</p>	<p><b>Not implemented</b></p> <p>Management has responded that the budget and costs will be worked out with our Divisional finance manager to review the current charges in place since the last review in 2015 sometime this year, as the service has moved from legal to planning division.</p> <p>It was advised that the team is currently working on a new planning system Uniform and the recommendation should be implemented by end of December 2019.</p> <p>We followed-up in January 2020 and are awaiting a response.</p>
<p>A review should be undertaken to identify the benefits, costs and risks associated with offering a personal search service undertaken by council officers. This review should include the costs to the service and the possible implications should incorrect data be supplied, as well as whether the decision is in line with council objectives. Alternatives should also be explored, such as offering the self-service at other council buildings and benchmarking against other councils to identify best practice. The reasoning behind the decision should be documented and reviewed on a regular basis.</p> <p><b>Medium</b></p>	<p>Planning support and land charges manager Group manager - validation and fast track</p> <p><del>March 2019</del></p> <p><del>May 2019</del></p> <p>December 2019</p>	<p><b>Not implemented</b></p> <p>Management has responded that they have to provide a personal search service, however when the planned move of the land charges register to HM land registry then there will be no cost to the council as agents will use HM land registry direct to get a copy of the register for free with them.</p> <p>We followed-up in January 2020 and are awaiting a response</p>
<p>The council should undertake a review to confirm the anticipated financial loss as a result of the transition of local land charges to Land Registry. Appropriate steps should be taken to determine how this loss will be offset by the council, to ensure appropriate cost-savings measures will be implemented in a timely manner.</p>	<p>Planning support and land charges manager Group manager - validation and fast track</p> <p><del>March 2019</del></p> <p><del>May 2019</del></p>	<p><b>Not implemented</b></p> <p>The management has responded that they will work out the loss of the LLC1 search cost to HM land registry when there are clear proposals to transfer the register of local land charges, this cost can be done at the time later this year and work out costs of the service with Finance.</p>

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<b>Medium</b>	December 2019	We followed-up in January 2020 and are awaiting a response
<b>2016/17 - Planning Applications</b>		
<p>A planning performance agreement should be retained for all cases. This should be signed and dated by the applicant and the manager, prior to the commencement of work.</p> <p><b>Medium</b></p>	<p>Director of planning</p> <p><del>March 2016</del> <del>October 2019</del></p> <p>Revised date to be advised</p>	<p><b>Not implemented</b></p> <p>Management has responded in September 2019 that more time is needed to provide an update on the implementation of the recommendations.</p> <p>We conducted a further follow-up in October 2019 and are awaiting a response.</p>
<p>Management should introduce a check to confirm that a PPA has been completed and fees agreed and received for all work (pre planning applications, planning applications and bespoke work) prior to resources being assigned to commence the work.</p> <p><b>Medium</b></p>	<p>Planning projects manager</p> <p><del>March 2016</del> <del>October 2019</del></p> <p>Revised date to be advised</p>	As above
<p>A procedure should be developed to enable an effective check that will confirm that the correct fee has been received prior to the commencement of the schedule of meetings. Evidence of the check should be retained.</p> <p><b>Medium</b></p>	<p>Planning projects manager</p> <p><del>March 2016</del> <del>October 2019</del></p> <p>Revised date to be advised</p>	As above
<p>A clear process should be implemented which evidences:</p> <ul style="list-style-type: none"> <li>· How the expected number of working hours per meeting has been decided upon;</li> <li>· Actual number of hours worked per meeting per staff member;</li> <li>· A protocol to follow if budgeted hours are over/under spent.</li> </ul> <p>This should be retained on file for all cases, and receive manager approval and payment prior to the commencement of the schedule of meetings.</p> <p><b>Medium</b></p>	<p>Director of planning</p> <p><del>March 2016</del> <del>October 2019</del></p> <p>Revised date to be advised</p>	As above
<p>Budget monitoring information should be prepared on a monthly basis and retained. Any variances should be clearly annotated outlining any contributing factors and an action plan where necessary.</p> <p><b>Medium</b></p>	<p>Director of planning</p> <p><del>March 2016</del> <del>October 2019</del></p> <p>Revised date to be advised</p>	As above

## Recommendations in progress

Recommendation made and Priority Level	Manager Responsible and Due Date	Current Progress
<b>2015/16 - S106 Agreements</b>		
<p>Section 106 Management should carry out an annual review of the following procedural guidance to ensure that they reflect current practice:</p> <ul style="list-style-type: none"> <li>• The Supplementary Planning Document (SPD);</li> <li>• Process notes; and</li> <li>• Guidance recorded on the Southwark Source.</li> </ul> <p>Annual review of these guidance sources should be recorded on file; with relevant sign off from an authorising officer.</p> <p><b>Medium</b></p>	<p>Planning Project Manager</p> <p><del>June 2019</del></p> <p><del>August 2019</del></p> <p><del>September 2019</del></p> <p>January 2020</p>	<p><b>Not implemented</b></p> <p>Management has responded that recruitment of S106/CIL team leader will include this responsibility within their job description and that post was recruited in January 2018. However, post-holder has transferred in other service and the HR is currently formalising the transfer. The post was expected to be recruited by end of September 2019.</p> <p><b>Management update October 2019</b></p> <p>We were advised that recruitment has not yet completed. However, evidence of proposed reorganisation of the Planning Division was obtained. This has been approved by the Director and has been sent to Finance and HR. Recruitment is expected to complete in January 2020.</p> <p>We will follow-up in February 2020 to confirm the status of the implementation.</p>
<p>The council should ensure that it monitors nonfinancial obligations arising from S106 agreements both during development and after the project has been completed if the developer has outstanding or on-going S106 obligations.</p> <p><b>Medium</b></p>	<p>Planning Project Manager</p> <p><del>June 2019</del></p> <p><del>August 2019</del></p> <p><del>September 2019</del></p> <p>January 2020</p>	<p>As above</p>

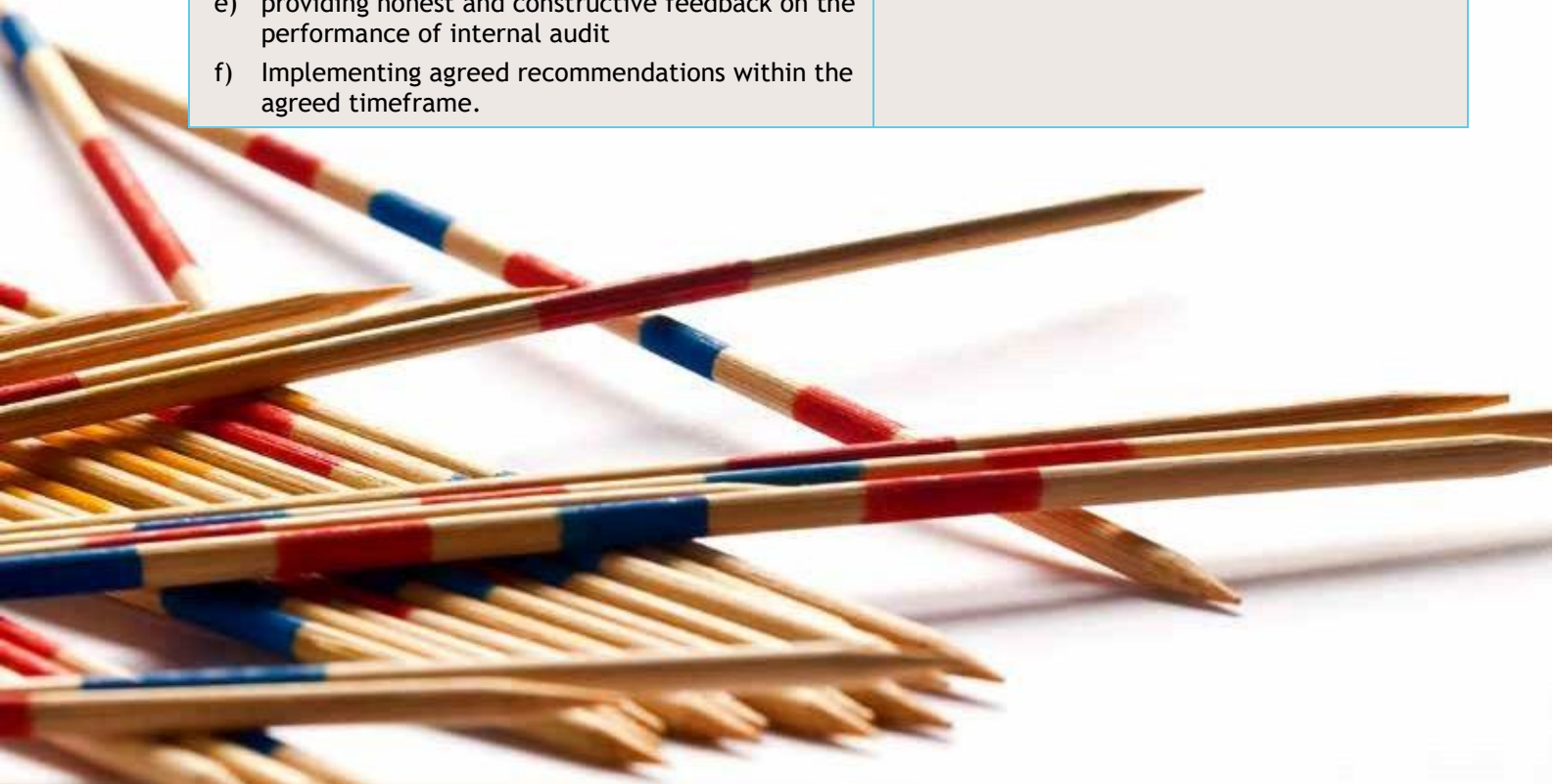


## 6. KEY PERFORMANCE INDICATORS (as per Internal Audit Charter 2019-20)

Description / KPI for Internal Audit 2019-20	Actual and comment	RAG Rating
<b>Audit Coverage</b>		
Annual Audit Plan delivered in line with timetable	To be reported at 31 March 2020.	-
Actual days are in accordance with Annual Audit Plan - 1,030 days	To be reported at 31 March 2020.	-
<b>Relationships and customer satisfaction</b>		
Customer satisfaction reports - overall score at average of at least 3.5 / 5 for surveys issued at the end of each audit.	We have received four survey responses to date, providing a rating of 5 in one case and 4 out of 5 in three cases.	●
Annual survey to Audit, Governance and Standards Committee to achieve score of at least 70%	Survey issued, awaiting further responses.	-
External audit can rely on the work undertaken by internal audit (where planned)	N/A to date	-
<b>Staffing</b>		
At least 60% input from qualified staff		●
<b>Audit Reporting</b>		
Issuance of draft report within 3 weeks of fieldwork 'closing' meeting	All draft reports issued to date were within 3 weeks of the closing meeting.	●
Finalise internal audit report 1 week after management responses to report are received.	All final reports issued to date were within 1 week of receipt of the complete management responses.	●
90% recommendations to be accepted by management	All final reports issued to date were within 1 week of receipt of the management responses.	●
Information is presented in the format requested by the customer	We have agreed the reporting format with the Strategic Director of Finance and Governance.	●
<b>Audit Quality</b>		
High quality documents produced by the auditor that are clear and concise and contain all the information requested - measured within customer satisfaction surveys	We have received three survey responses to date, all providing a rating of 4 out of 5 with regards to the quality of our outputs.	●
Positive result from any external review	No external review undertaken to date. The next one is due to take place in 2020-21.	●







Description / KPI for Council Management and Staff 2019-20		Actual and comment	RAG Rating
<b>Response to terms of reference and reports</b>			
Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within three weeks of receipt		With minor exceptions (usually due to leave commitments), Council management have responded in a timely manner.	●
<b>Implementation of recommendations</b>			
Audit sponsor to implement all audit recommendations within the agreed timeframe		Refer to section 5 of this report.	●
<b>Co-operation with internal audit</b>			
<p>Internal audit to confirm to each meeting of the Audit, Governance and Standards Committee whether appropriate co-operation has been provided by management and staff:</p> <ul style="list-style-type: none"> <li>a) providing unrestricted access to all of the Council's records, property, and personnel relevant to the performance of engagements</li> <li>b) responding to internal audit requests and reports within the agreed timeframe and in a professional manner</li> <li>c) being open to internal audit about risks and issues within the organisation</li> <li>d) not requesting any service from internal audit that would impair its independence or objectivity</li> <li>e) providing honest and constructive feedback on the performance of internal audit</li> <li>f) Implementing agreed recommendations within the agreed timeframe.</li> </ul>		<p>We can confirm that to date the Council's management and staff have cooperated as per the commitments a) to e).</p> <p>In respect of commitment f), the implementation of agreed recommendations within agreed timeframes requires improvement, as reported in section 5 of this report. In addition, prompt provision of evidence to support the implementation of recommendations allows us to sign them off as complete in a timely manner.</p>	●



# APPENDIX 1

## OPINION SIGNIFICANCE DEFINITION

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

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# Agenda Item 9

<b>Item No:</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Internal audit strategy and operational plan 2020-21	
<b>Wards or Groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATIONS

1. That the audit, governance and standards committee note the internal audit strategy and operational plan, attached as Appendix A.

## KEY ISSUES FOR CONSIDERATION

2. The Annual Audit Letter summarises the planned approach to internal audit and anti-fraud in 2020-21 by BDO, the council's internal auditors.

## Community Impact Statement

3. This report is not considered to have a direct impact on local people and communities.

## Resource implications

4. All costs will be contained within existing budget provision.

## Consultation

5. There has been no consultation on this report.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

6. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
None		

## APPENDICES

No.	Title
Appendix A	Internal audit strategy and operational plan 2020-21, BDO

**AUDIT TRAIL**

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer		
Version	Final		
Version Date	31 January 2020		
Key Decision	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	N/A	N/A	
Strategic Director of Finance and Governance	N/A	N/A	
Cabinet Member	N/A	N/A	
Final Report Sent to Constitutional Team		31 January 2020	



# INTERNAL AUDIT STRATEGY AND OPERATIONAL PLAN

London Borough of Southwark

2020-21

*For presentation to the Audit, Governance and Standards Committee*

*10 February 2020*

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# 1. AUDIT RISK ASSESSMENT

## 1.1 Background

BDO LLP has been appointed as internal auditors to the London Borough of Southwark to provide the Council with assurance on the adequacy of internal control arrangements, including risk management and governance. Our role at the Council will also be aimed at helping management to improve risk management, governance and internal control, so reducing the effects of any significant risks facing the organisation.

We report to the Strategic Director of Finance and Governance, as the Council's section 151 officer, on an operational basis. The Engagement Partner, Greg Rubins, is the Council's Chief Audit Executive.

Responsibility for the Council's internal control arrangements remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud.

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

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects Southwark Council's current risk profile. In drafting the plan and strategy, we mapped the audits to the corporate risk register and departmental risk registers to confirm adequate work was being undertaken on key risk areas.

## 1.2 Planned approach to internal audit 2020-21

The proposed Internal Audit programme for 2020-21 is shown from page 9, with an indicative strategic plan for 2021-22 and 2022-23 shown from page 19.

We have met with the senior management teams for each of the Council's six departments and the chief officer's team to prepare the internal audit plan. The plan has been circulated to the chief officer's team, before being presented to the Audit, Governance and Standards Committee on 10 February 2020.

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

## 1.3 Individual audits

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

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

As we undertake planning for each audit, we will also work with the Council's anti-fraud team to identify areas to include to provide assurance on the management of the risk of fraud.



#### 1.4 Variations to the Plan

We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

Where changes to the planned audits are required during the year, these will be agreed with the departmental directors and the Strategic Director of Finance and Governance and reported to the Audit, Governance and Standards Committee.

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

As such our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the strategic directors and their management teams.

## 2. MAPPING THE COUNCIL'S CORPORATE RISKS TO THE INTERNAL AUDIT STRATEGIC PLAN

Ref.	The Council's Strategic / Operational Risks	Planned Internal Audits by Year			
		2019-20 (for reference)	2020-21	2021-22	2022-23
CR1	The continued uncertainty regarding local government funding beyond 2019-20 presents the s.151 officer with a challenge in terms of being able to recommend balanced budget proposals which meet the Council's priorities and ambitions.		Financial planning & budget monitoring		
CR2	The cessation of or significant reduction in a council support service including key infrastructure now and in the future causes disruption to a range of front line and back office service delivery across the council arising especially as a consequence of budget reductions.				Capital programme management
CR3	The increasing need for and cost of demand led services such as social care, social housing, No Recourse to Public Funds and temporary accommodation results in significant overspends against budget.	No recourse to public funds	Direct payments All age disability service Continuing healthcare	Mental health services	Older people's services
CR4	Delays in paying claimants Universal Credit during the transition to it results in housing rent and other personal debt, and increased demand for other council services and consequential unfunded pressures.	Housing benefits		Housing benefits	
CR5	Core business systems may become unavailable for prolonged and unpredictable periods of time across the whole council, impairing service delivery	-	-	IT disaster recovery	-

Ref.	The Council's Strategic / Operational Risks	Planned Internal Audits by Year			
		2019-20 (for reference)	2020-21	2021-22	2022-23
	performance and impacting on resident satisfaction, the reputation of the council and staff motivation.				
CR6	Unforeseen events and/or adverse public reaction to Council programmes results in the failure of (or the serious delay to) key regeneration or direct delivery projects causing damage to the Council's ability to meet the borough's long term housing and investment needs and resulting in short term financing or funding implications for the Council.	Regeneration programme	New housing programme	Regeneration programme	-
CR7	The housing market in London adversely impacts on the council's financial arrangements and its ability to manage temporary accommodation, homelessness and housing investment.	Statutory disrepairs Homelessness Major works TMOs	TMOs	TMOs Temporary accommodation	TMOs
CR8	An emergency occurs which affects critical services and the council's ability to deliver business as usual.	-	Emergency planning	-	-
CR9	Legislative changes and issues arising from Brexit affecting the Council's and its partners' ability to meet the demand for services and/or take advantage of opportunities and/or deal with increased threats due to lack of capacity leading to reduced performance and increasing costs.	-	[Brexit - workforce strategy]	-	-
C10	The data held and managed by council departments and its partners is neither appropriately shared nor used in an optimal way, hindering possible improvements and efficiencies in service delivery and resulting in potential risks to service users or employees.	Records management	Contact centre	-	Data protection / GDPR

Ref.	The Council's Strategic / Operational Risks	Planned Internal Audits by Year			
		2019-20 (for reference)	2020-21	2021-22	2022-23
CR11	Process, control, or management failure particularly during periods of significant change and ongoing funding reductions leads to a fraudulent activity resulting in financial consequences for the council.	Key financial systems audits Mosaic payments	Key financial systems audits Financial planning & budget monitoring Fraud protocols Mosaic payments	Key financial systems audits Mosaic payments	Key financial systems audits Mosaic payments
CR12	Failure to ensure management action is taken, so that appropriate capacity and skills to deliver change are maintained through periods of reorganising and downsizing, which results in knowledge gaps, poor handover of contract management responsibilities or other consequences.		Contracts register [Brexit - workforce strategy]		
CR13	Failure on the part of the council or its partners to properly adhere to data processing legislation / regulation, which results in breaches when data is shared inappropriately leading to risk to individuals, ICO intervention and consequential financial penalties and reputational damage.	Records management	-	-	Data protection / GDPR
CR14	Failure to invest appropriately in the maintenance or management of the council's assets or a sudden and unforeseen event which may give rise to unacceptable future liabilities.	-	Facilities management (E&L) Asset management (E&L)	-	-
CR15	Due to the rapid evolution of cyber security threats, the council and its partners may not be able to prevent an attack on infrastructure in an effective or timely manner, resulting in a breach of security.	Shard ICT service	Cyber security Cloud security	Network security	-
CR16	Failure to provide adequate provision of protection of staff, elected members, residents and all	-	Tree management Health and safety Travel assistance	Safeguarding	Health and safety

Ref.	The Council's Strategic / Operational Risks	Planned Internal Audits by Year			
		2019-20 (for reference)	2020-21	2021-22	2022-23
	relevant stakeholders leading to their safety being compromised.		Youth offending service		
CR17	Service failure of a key provider or partner resulting in the council being held to account for the service delivery failure and having to step in to supply the service at additional cost and with resulting potential reputational damage.	Management of fairer future policy with regards to contracts	-	-	Supplier resilience
CR18	Difficulties in delivering an ambitious Council plan and service commitments in the current climate, resulting in adverse reputational impact.	-	Council plan 2018-19 to 2021-22	-	-
CR19	Failure to adapt to the impact of climate change and the climate emergency result in the council being unable to deliver effectively in line with its climate emergency strategy.	-	Climate emergency strategy	-	-

### 3. INTERNAL AUDIT OPERATIONAL PLAN 2020-21

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
Chief Executive's Department					
CX01	Emergency planning	Head of chief executive's office	12	Q3	Review of the emergency planning arrangements in place at the Council, including clarity of the roles and responsibilities across the Council and with other agencies.
CX02	Communications and media	Head of external affairs	12	Q2	Review of the Council's external affairs strategy, including clarity of roles and responsibilities, engagement with Council departments and key stakeholders and application in practice.
Total			24		
Children's and Adults Services Department					
<u>Adult Social Care</u>					
CAS04	All age disability service (0 to 24 years)	Director of adult social care	20	Q3/Q4	Review of the policies and procedures for the identification and documentation of care needs and the associated approval, allocation and monitoring of funding.
CAS10	Substance misuse	Director of adult social care	15	Q1	Review of the management of income and expenditure in relation to substance misuse initiatives provided by the Council, and the effectiveness of the Southwark alcohol action plan 2017-20.
CAS11	Direct payments	Director of adult social care	15	Q3	Review of the new policy and procedures relating to direct payments, controls over the Allpay cards assigned to clients.
CAS12	Continuing healthcare	Director of adult social care	15	Q1	Assurance that the Council's practice and processes fit with its responsibilities under the national framework for NHS Continuing Healthcare and NHS-funded Nursing Care, and that the Council has worked collaboratively with the CCGs when reviewing processes.

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
<b><u>Children's Social Care</u></b>					
CAS20	Adoption service	Director of children's social care	15	Q1	A review of the adequacy and effectiveness of the controls in place over payments made to adopters, to confirm accuracy of payments derived from documentation and appropriate approvals.
CAS22	Troubled families grant	Director of children's social care	24	Monthly	Confirmation for a sample of 10% of claims of eligibility under the Council's troubled families' outcomes plan.
CAS28	Youth offending service and youth violence	Chief executive, and the strategic directors of children's & adults services and housing and modernisation	25	Q1/Q2	A cross-departmental review of the Council's response to the issue of community harm and youth violence, including consideration of the Community Harm Hub (following the Southwark Extended Learning Review) and reference to the localised Brandon Estate.
<b><u>Education</u></b>					
CAS44	Pupil registry systems and school attendance	Director of education	12	Q1	A review of the Council's arrangements for ensuring that it meets its statutory responsibilities for ensuring school attendance.
CAS45	School admissions	Director of education	12	Q2	A review of the Council's arrangements for ensuring that it complies with the legislative requirements contained within the Code of School Admissions.
CAS47	Traded services	Director of education	25	Q3	A review of the governance, reporting and monitoring of the Council's traded services to schools (school improvement, HR, governor services, health and safety). The review will also include consideration of schools that do not take up the Council's offer and the reasons for this (this will be explored with schools included in the internal audit plan for 2020-21).

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
CAS48	Travel assistance	Director of education	12	Q4	A review of the controls in place for the award and subsequent monitoring and review of travel assistance funding provided / costs incurred by the Council on behalf of clients.
<b><u>Department Wide Audits</u></b>					
CAS63	Mosaic operational audit / payments	All Directors	15	Q3	Processes and controls leading to the payments generated via Mosaic, and the completeness of information held on the system. Specific areas of coverage to be determined at the time of scoping. As a fundamental system of the Council, this is an annual audit.
<b>Total</b>			<b>205</b>		
SCH	Schools internal audit plan	Director of education	125	Ongoing	Internal audit of schools’ governance and financial systems and controls, covering areas such as budget management, deficit recovery plans, procurement and purchases, payroll and income. The days also include time for working with the Council in delivering training and awareness to head teachers and school business managers.
<b>Total</b>			<b>125</b>		
Environment and Leisure Department					
<b><u>Leisure and Culture</u></b>					
EL14	South dock marina	Director of leisure	12	Q1	A review of the operational and financial management controls in place underpinning the running of the marina.
EL18	Tree management service	Director of leisure	15	Q1	A review of the adequacy and effectiveness of the Council’s emergency tree recovery plan.
<b><u>Traded Services</u></b>					
EL43	Southwark building services	Strategic directors of environment &	25	Q2	An end to end review of the internal repairs process, to include organisational management, performance against KPIs and clarity of cost



Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
		leisure and housing & modernisation.			and charging structures. The review will assess progress with reference to evidence of implementation of the SBS improvement plan.
<u>Department Wide Audits</u>					
EL63	Climate emergency strategy	Strategic director environment and leisure / director for climate change	25	Q1	A review of the governance arrangements over the implementation of the Council’s climate emergency strategy, adequacy of stakeholder engagement and the achievability of the plans in place to deliver the strategy.
EL64	Facilities management	Strategic director environment and leisure / Strategic director housing and modernisation	20	Q3	Request from the Environment and Leisure department - A review of the implementation of the new facilities management strategy, adequacy of contract management arrangements on the new facilities management contracts and controls over the planning and delivery of health and safety audits.  The latter will feed into the cross Council review of health and safety to be undertaken in 2020-21 (TR04).
EL65	Asset costs management	Strategic director environment and leisure / strategic director housing and modernisation	15	Q3	Request from the Environment and Leisure department - A review of the adequacy and effectiveness of the processes for condition surveys, asset management plans and PPM programme with facilities management to know the state of the department’s assets and predict future capital costs for maintaining them in a fit for purpose state.
Total			112		
Finance and Governance Department					
<u>Legal Services</u>					
FG07	Contracts register	Director of law & democracy	25	Q1	A review of the completeness and accuracy of the Council’s contract register, the extent to which contract leads are keeping information up to date so that the version published via the Council’s external website is complete. A review of contract expenditure incurred against contracts

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
					which exceed the original contract value or where goods / services purchased are outside the scope of the original contract.
FG08	Litigation protocols	Director of law & democracy	15	Q2	A review on the procedures and criteria to be adopted on whether to pursue litigation, including communication, clarity of roles and responsibilities and decision making processes.
Financial and Information Governance					
FG22	Pensions administration	Head of financial & information governance / strategic director finance and governance	15	Q3	A three year rolling programme commencing in 2019-20, areas for inclusion are to be agreed. Areas for inclusion are: <ul style="list-style-type: none"><li>- Pension fund management arrangements and controls over flows of monies around the system</li><li>- Maintenance of records, including policies and procedures, joiners and leavers to the schemes, refunds, contributions (plus AVCs) and annual benefits statements</li><li>- Pension bank account management and controls</li><li>- Pensions payments / payroll (new system due to be rolled out)</li><li>- Admitted bodies.</li></ul>
Total			55		
Key Financial Systems					
KFC02	NNDR	Director exchequer services	15	Q3	Assurance over continuing compliance with controls in respect of NNDR, Work will be undertaken alongside the anti-fraud team’s planned work for 2020-21 to provide assurance that controls adequately mitigate against the risk of fraud with regards to business rates.
KFC05	Payroll and HR	Director exchequer services / Director of modernise	25	Q3	Assurance over the adequacy of and compliance with controls in respect of payroll and benefits to staff. Full audit.

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
KFC07	Accounts payable	Director exchequer services	15	Q2	A review of the timeliness of payments to suppliers and the extent to which the 30 day payment terms are being met, to analyse where delays in payment are evident and determine the reasons.
KFC08	Treasury management	Director exchequer services	12	Q3	Assurance over the adequacy and effectiveness of the internal control environment for investment and borrowing transactions.
KFC11	SAP scheme of delegation and authorisations	Director exchequer services	15	Q1	A review of the SAP scheme of delegation for the authorisation of payments, including consideration on the appropriateness of the limits for different Council staff, usage of the limits and if they are adhered to.
<b>Total</b>			<b>82</b>		
<b>Housing and Modernisation Department</b>					
<u><b>Asset Management</b></u>					
HM06	Major works	Director of asset management	15	Q4	A review of the implementation of the Council's response to the Grenfell report, to cover both Council owned and other residential properties in the borough.
<u><b>Communities</b></u>					
HM12	Tenancy management organisations	Director of communities	25	Q4	A review of a sample of two to three TMOs considering financial management, procurement and statutory compliance, including health and safety, fire risk assessment and asbestos.
<u><b>Customer Experience</b></u>					
HM22	Contact centre	Director of customer experience	20	Q1	An advisory review on the performance reporting undertaken by the contact centre, and whether the right information is being recorded for decision-making.

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
HM24	Customer experience and complaints	Director of customer experience	15	Q2	A review of the complaints process and controls with regards to childrens services, to confirm that the Council is adhering to legislative requirements under the Children Act procedure.
HM33	Demolition Process (MSHO	Director of customer experience	12	Q3	A review of the housing demolitions process from the perspective of My Southwark Home Owners.
New Homes Programme					
HM71	New homes programme	Director of new homes programme	15	Q1	A review of the governance and reporting with regards to the new homes programme, and an assessment of the robustness of the plan to deliver the new homes target by 2022.
Total			102		
IT Audit Plan					
IT07	Cyber security	Director of modernise	20	Q1	To consider: <ul style="list-style-type: none"><li>• Policies and procedures, risk assessments, network topology</li><li>• Firewall admin, A/V admin, encryption &amp; authentication</li><li>• External pen tests, internal vulnerabilities, GPO rules</li><li>• Incident response, awareness training, OS patching</li><li>• Disaster recovery plans.</li></ul>
IT08	Cloud security	Director of modernise	20	Q2	Focus on operational security: <ul style="list-style-type: none"><li>• Governance - framework, specifications, plans</li><li>• Contracts - compartmentalisation, IP, exit, ISO certs</li><li>• Risk mgmt. - provider and service, SLAs, location, physical.</li><li>• Security - incident mgmt., change mgmt., encryption, user access</li></ul>
IT09	Mobile device management	Director of modernise	20	Q3	The Council plans to issue new endpoints to staff in 2020, the audit will review: <ul style="list-style-type: none"><li>• Policies and procedures, reviews, user training</li><li>• Governance, staff needs assessments, inventory</li></ul>

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
					<ul style="list-style-type: none"><li>• Remote control, configuration, user access, encryption</li><li>• Lost and/or stolen devices, device disposals.</li></ul>
IT10	Software asset management	Director of modernise	20	Q4	ICT have concerns of software being purchased without being consulted, the audit will review: <ul style="list-style-type: none"><li>• Governance, policies and procedures, user training</li><li>• Databases, ownership, budgeting responsibilities</li><li>• Management tools, compliance with licensing agreements</li><li>• Development lifecycle, development methodology, access control.</li></ul>
Total			80		
Place and Wellbeing Department					
PW02	Commercial property portfolio	Director of regeneration	15	Q1	A review of the effectiveness of the new IT system for managing the Council’s commercial property portfolio. We will also consider the controls and information flows for the management of debtors and arrears.
PW05	Transport policy and planning	Director of planning	15	Q3	Review of the Council’s transport policy and the extent to which it is being delivered in line with supporting plans across the Council.
PW11	Social regeneration framework	Director of public health & wellbeing	20	Q2	Review of the Council’s change in approach to social regeneration and the extent to which the framework and associated policies have been adopted in practice.
PW12	Community infrastructure levy (CIL)	Director of planning	15	Q4	Review of the Council’s collection arrangements and spending with regards to its responsibilities for the London Borough of Southwark CIL and Mayor of London’s CIL under the Planning Act 2008.
Total			65		

Ref.	Area	Audit Sponsor	Days	Timing	Outline Scope of the Review
Thematic Audits / Council Wide Reviews					
TR04	Health and safety	Corporate governance panel / Departmental leads	25	Q4	A review of the application of health and safety policies and practices across the Council, following the work recently undertaken by the health and safety remodel project.
TR07	Financial planning and budget monitoring	Chief officers team	25	Early Q3	A review of the monitoring and reporting of budgeted income and savings and the extent to which they will be realised.
TR12	Sickness absence management, monitoring and reporting	Director of modernise / corporate governance panel	25	Q1	A review of departments (managers) compliance with the Council's sickness absence management, monitoring and reporting requirements across the Council. The audit will consider the extent to which there may be under reporting.
TR13	Compliance with HR policies and procedures	Director of modernise / corporate governance panel	25	Q2	A review of departments (managers) compliance with the Council's HR policies and procedures, the specific scope is to be agreed with the audit sponsor.
TR16	Council plan 2018-19 to 2021-22	Chief officers team / head of chief executive's office	25	Q2	A review of the governance and reporting on the Council plan and the alignment to the budget challenge process which supports the delivery of the plan.
TR17	Fraud protocols	Strategic director finance and governance / corporate governance panel	20	Q4	A review of the application by departments of the new fraud protocols and the decision making process for how concerns should be pursued (e.g. fraud, whistleblowing, disciplinary).
TR19	Corporate credit cards	Strategic director finance and governance / corporate governance panel	20	Q1	A review of the controls over credit cards issued to employees of the Council, and departmental approval, monitoring and review of expenditure incurred using the credit cards.
Total			165		

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## 4. INTERNAL AUDIT PLAN SUMMARY 2020-21

Department / Audit Activity	No. of days 2020-21
Chief executive's department	24
Children's and adults services	205
Environment and leisure	112
Finance and governance	55
Housing and modernisation	102
Place and wellbeing	65
Key financial systems	82
IT audits	80
Thematic reviews / Council wide audits	165
Schools	125
Chief Audit Executive Role	15
<b>TOTAL</b>	<b>1030</b>

## 5. INTERNAL AUDIT STRATEGIC PLAN 2020-21 to 2022-23

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
CX01	Emergency planning and resilience	Head of chief executive's office	✓			✓		
CX02	Communications and media	Head of external affairs				✓		
<b>Children's and Adults Department</b>								
<b>Adult Social Care</b>								
CAS01	Adult day care provision	Director adult social care		✓				
CAS02	Client finances	Director adult social care	✓		✓			
CAS03	Appointeeships	Director adult social care			✓			
CAS04	All age disability service	Director adult social care				✓		
CAS05	Better care fund (BCF)	Strategic director childrens & adults		✓				
CAS06	Mental health services	Director adult social care			✓			✓
CAS07	Older people's services	Director adult social care		✓			✓	
CAS08	Safeguarding - adults	Director adult social care		✓			✓	
CAS09	Social care staff recruitment	Director adult social care	✓					
CAS10	Substance misuse	Director adult social care	✓			✓		
CAS11	Direct payments	Director adult social care				✓		
CAS12	Continuing healthcare	Director adult social care				✓		



Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
<b><u>Children's Social Care</u></b>								
CAS20	Adoption service	Director children's social care				✓		
CAS21	Payments to children and families	Director children's social care			✓			
CAS22	Troubled families grant claims	Director children's social care	✓	✓	✓	✓	✓	✓
CAS23	Children's quality assurance unit	Director children's social care					✓	
CAS24	Foster carers	Director children's social care	✓		✓			
CAS25	Placements - children in care service	Director children's social care		✓				
CAS26	Safeguarding	Director children's social care	✓				✓	
CAS27	Legal fees	Director children's social care		✓				
CAS28	Youth offending service	Director children's social care				✓		
<b><u>Commissioning</u></b>								
CAS31	Community equipment	Director commissioning			✓			
CAS32	Supported living	Director commissioning			✓		✓	
CAS33	Commissioning of services	Director of commissioning		✓				✓
<b><u>Education</u></b>								
CAS41	Adult learning services	Director of education		✓				✓
CAS42	Home to school transport	Director of education	✓				✓	
CAS43	Music service	Director of education		✓				

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
CAS44	Pupil registry systems and school attendance	Director of education				✓		
CAS45	School admissions	Director of education				✓		
CAS46	Special educational needs (SEN)	Director of education			✓			✓
CAS47	Traded services	Director of education				✓		
CAS48	Travel assistance	Director of education				✓		
SCHOOLS	Schools - cyclical programme*	Director of education	✓	✓	✓	✓	✓	✓
	* School audits are undertaken on an average 4-year rolling programme. In 2019-20, 18 schools are scheduled for an audit visit. Areas included in the schools audit are: governance, bank account and budgeting, payroll, procurement; and data security and safeguarding. We also review the control framework with regards to cash handling and non-local authority school funds. From 2019-20 we have agreed with the director of education to conduct a follow up audit where schools received a limited assurance opinion.							
Department Wide Audits								
CAS51	Integrated care partnerships	Director adult social care					✓	
CAS63	Mosaic operational audit / payments	Strategic director (children’s and adults’ service	✓	✓	✓	✓	✓	✓
	Environment and Leisure Department							
Highways								
EL01	Highways maintenance	Director of environment	✓				✓	
EL02	Cleaner, greener, safer programme	Director of environment			✓			
Leisure and Culture								
EL11	Cemeteries and crematoria	Director of leisure						✓

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
EL12	Library service	Director of leisure	✓				✓	
EL13	Leisure services	Director of leisure	✓				✓	
EL14	South Dock marina	Director of leisure				✓		
EL15	Youth service	Director of leisure		✓				
EL16	Parks	Director of leisure			✓			
EL17	Play service	Director of leisure			✓			
EL18	Tree management service	Director of leisure				✓		
<b><u>Regulatory Services</u></b>								
EL21	CCTV	Director of environment		✓			✓	
EL22	Enforcement	Director of environment			✓			
EL23	Licencing	Director of environment		✓			✓	
EL24	Parking management & estates parking permits	Director of environment		✓				✓
EL25	Markets	Director of environment		✓			✓	
<b><u>Service Development</u></b>								
EL31	Corporate energy / greener borough	Director of environment	✓					
<b><u>Traded Services</u></b>								
EL41	Materials	Director of environment	✓		✓			
EL42	Pest control	Director of environment			✓			

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
EL43	Southwark building services	Director of environment		✓		✓		
EL44	Street lighting and signs	Director of environment					✓	
<b>Waste and Cleansing</b>								
EL51	Commercial waste	Director of environment		✓				
EL52	Fleet contract and strategy management	Director of environment				✓ (cfwd from 19-20)		
EL53	Estates cleaning	Director of environment		✓				
EL54	Grounds maintenance	Director of environment	✓				✓	
EL55	Waste contract / PFI	Director of environment		✓				
EL56	Trading standards, food safety and health & safety	Director of environment					✓	
<b>Department Wide Audits</b>								
EL61	Volunteer management	Director of leisure / Director of environment			✓			
EL62	Debt management	All Directors			✓			
EL63	Climate emergency strategy	Strategic director environment and leisure / director for climate change				✓		
EL64	Facilities management	Strategic director environment and leisure				✓		

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
EL65	Asset costs management	Strategic director environment and leisure				✓		
<b>Finance and Governance Department</b>								
<b><u>Legal Services</u></b>								
FG01	Electoral register and elections	Director of law & democracy	✓				✓	
FG02	Case management system (Visualfiles)	Director of law & democracy	✓					
FG03	Barristers' framework	Director of law & democracy			✓			
FG04	Member / officer protocol	Director of law & democracy					✓	
FG05	Whistleblowing	Director of law & democracy			✓			
FG06	Members allowances	Director of law & democracy		✓				
FG07	Contracts register	Director of law & democracy				✓		
FG08	Litigation protocols	Director of law & democracy				✓		
<b><u>Professional Services Team</u></b>								
FG11	Housing revenue account (HRA)	Acting Director of Finance					✓	
<b><u>Financial and Information Governance</u></b>								
FG21	Data protection / GDPR	Head of financial & information governance	✓	✓				✓
FG22	Pensions administration	Head of financial & information governance			✓	✓	✓	✓

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
FG33	Insurance	Head of financial & information governance					✓	
<b>Exchequer Services</b>								
FG31	Home ownership - mortgages	Director exchequer services			✓			
FG32	Home ownership - charges to leaseholders	Director exchequer services		✓				✓
FG33	Home ownership - garages	Director exchequer services			✓			
FG34	Enforcement agents, rent arrears and write offs	Director exchequer services		✓			✓	
FG35	Client services	Director exchequer services			✓			
<b>Key Financial Systems</b>								
KFC01	Council tax	Director exchequer services	✓		✓		✓	
KFC02	NNDR/ business rates pooling	Director exchequer services	✓	✓	✓	✓		✓
KFC03	Housing rents	Director exchequer services	✓	✓	✓		✓	
KFC04	Accounts receivable / debt management	Director exchequer services			✓			✓
KFC05	Payroll and HR	Director exchequer services / Director of Modernise	✓	✓	✓	✓	✓	✓
KFC06	General ledger	Director exchequer services		✓			✓	
KFC07	Accounts payable	Director exchequer services	✓	✓	✓	✓	✓	✓
KFC08	Treasury management	Acting director of finance	✓			✓		

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
KFC09	Housing benefits	Director exchequer services	✓	✓	✓		✓	
KFC10	Suspense accounts management	Director exchequer services	✓		✓		✓	
KFC11	SAP scheme of delegation and authorisations	Director exchequer services				✓		
<b>Housing and Modernisation Department</b>								
<b><u>Asset Management</u></b>								
HM01	Apex asset management system	Director asset management	✓				✓	
HM02	Engineering services	Director asset management	✓ (as part of HM01)				✓	
HM03	Gas servicing	Director asset management	✓ (as part of HM01)				✓	
HM04	Housing adaptations	Director asset management	✓					✓
HM05	Housing investment and decision making	Director asset management	✓				✓	
HM06	Major works	Director asset management			✓	✓		✓
HM07	Repairs and maintenance	Director asset management		✓				
HM08	Statutory disrepairs	Director asset management / Director of Law & Democracy			✓			
<b><u>Communities</u></b>								
HM11	No recourse to public funds	Director of communities	✓		✓			✓

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
HM12	Tenancy management organisations (TMOs)	Director of communities		✓	✓	✓	✓	✓
	<b><u>Customer Experience</u></b>							
HM21	Blue badges and freedom passes	Director of customer experience			✓			
HM22	Contact centre	Director of customer experience		✓		✓		
HM23	Coroners	Director of customer experience			✓			
HM24	Customer experience and resolution / complaints	Director of customer experience				✓		
HM25	Housing solutions - applications and allocations	Director of customer experience		✓			✓	
HM26	Housing solutions - homelessness	Director of customer experience			✓			
HM27	Housing solutions - other services	Director of customer experience	✓				✓	
HM28	MySouthwark home owners agency	Director of customer experience	✓					
HM29	Channel shift	Director of customer experience		✓				
HM30	Registrars	Director of customer experience			✓		✓	
HM31	Sales and acquisitions, including right to buy	Director of customer experience		✓			✓	
HM32	Integration of customer based systems	Director of customer experience	✓					
HM33	Demolitions	Director of customer experience				✓		
	<b><u>Resident Services</u></b>							



Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
HM41	Voids	Director of resident services			✓			✓
HM42	Multi-agency working / data sharing	Director of resident services	✓					
HM43	Housing tenancies	Director of resident services	✓				✓	
HM44	Sheltered housing	Director of resident services			✓			✓
HM45	Supported accommodation hostels (family hostels)	Director of resident services			✓			
HM46	Temporary accommodation	Director of resident services		✓			✓	
<b><u>Modernise</u></b>								
HM51	Corporate facilities management	Director of modernise	✓				✓	
HM52	Health and safety	Director of modernise	✓	✓				
HM53	Modernisation programme	Director of modernise		✓				
<b><u>Human Resources</u></b>								
HM61	Staff recruitment and vetting	Director of modernise	✓					
HM62	Apprenticeships levy	Director of modernise		✓				
<b><u>New Homes Programme</u></b>								
HM71	New homes programme	Director of new homes programme				✓		
<b><u>Information Technology Audits</u></b>								
IT01	Network security	Director of modernise	✓				✓	

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
IT02	IT disaster recovery and business continuity planning	Director of modernise	✓				✓	
IT03	IT shared service arrangements	Director of modernise		✓	✓			
IT04	Change control	Director of modernise		✓				
IT05	Website security and maintenance	Director of modernise			✓			
IT06	Cloud strategy	Director of modernise			✓			
IT07	Cyber security	Director of modernise				✓		
IT08	Cloud security	Director of modernise				✓		
IT09	Mobile device management	Director of modernise				✓		
IT10	Software asset management	Director of modernise				✓		
<b>Place and Wellbeing Department</b>								
PW01	Major regeneration programmes & projects	Director of regeneration	✓		✓		✓	
PW02	Commercial property portfolio	Director of regeneration				✓		
PW03	Planning applications and s106 agreements	Director of planning			✓			
PW04	Building control	Director of planning			✓			✓
PW05	Transport policy and planning	Director of planning				✓ (cfwd from 19-20)		

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
PW06	Land charges	Director of planning	✓				✓	
PW07	Community projects	Director of communities	✓		✓			
PW08	Community engagement	Director of communities		✓			✓	
PW09	Health in all policies	Director of public health & wellbeing		✓				
PW10	Public health priority area	Director of public health & wellbeing			✓			
PW11	Social regeneration framework	Director of public health & wellbeing				✓		
PW12	Community infrastructure levy	Director of planning				✓		
<b>Thematic Audits / Council Wide Reviews</b>								
TR01	Access to services	Corporate governance panel	✓					
TR02	Commercialisation	Corporate governance panel						
TR03	Business continuity planning	Corporate governance panel / Head of Chief executive's office		✓			✓	
TR04	Health and safety	Corporate governance panel / departmental leads				✓ (cfwd from 19-20)		
TR05	Fairer futures - procurement framework	Corporate governance panel	✓	✓				
TR06	Fairer futures - contract management	Corporate governance panel			✓			

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
TR07	Financial planning and budget monitoring	Chief officers team	✓			✓		
TR08	Governance and risk management	Head of financial & information governance	✓				✓	
TR09	Hospitality and gifts register, register of interests and bribery and corruption	Corporate governance panel	✓					✓
TR10	Use of consultants / payments to individuals outside of PAYE / IR35	Corporate governance panel		✓			✓	
TR11	Voluntary sector engagement	Corporate Leadership Team / corporate governance panel					✓	
TR12	Sickness absence management, monitoring and reporting	Director of modernise / corporate governance panel				✓ (cfwd from 19-20)		
TR13	Compliance with HR policies and procedures	Director of modernise / corporate governance panel				✓		
TR14	Records management	Head of financial & information governance / corporate governance panel			✓			
TR15	Data and information management	Strategic director of finance and governance			✓			
TR16	Council plan 2018-19 to 2021-22	Chief officers team / head of chief executive's office				✓		
TR17	Fraud protocols	Strategic director finance and governance / corporate				✓		

Ref.	Audit	Audit Sponsor	2017-18 (for ref.)	2018-19 (for ref.)	2019-20 (for ref.)	2020-21	2021-22	2022-23
		governance panel						
TR18	Off contract expenditure	Strategic director finance and governance / corporate governance panel						✓
TR19	Corporate credit cards	Strategic director finance and governance / corporate governance panel				✓		
TR20	Supplier resilience	Strategic director finance and governance / corporate governance panel						✓

## 6. ALTERNATIVE INTERNAL AUDIT REVIEWS 2020-21

These reviews were discussed as part of our planning process however they have not been included in the final plan. They are included here for information:

Review Title	Description of the Review
<b>Brexit - Workforce Management</b>	An area of management concern, this audit would review the Council's workforce management strategy and risk management arrangements to provide assurance that key roles have been identified and effective recruitment strategies put in place.

# APPENDIX I

## Internal Audit Charter - Role and Scope of Internal Audit

### Purpose of this charter

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

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

Final approval resides with the Council, in practice the charter shall be reviewed and approved annually by management and by the Audit, Governance and Standards Committee on behalf of the Council.

### Internal audit's mission

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

### Standards of internal audit practice

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

### Internal audit definition and role

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

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

### Internal audit's scope

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

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

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

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

### **Effective internal audit**

Our internal audit function is effective when:

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

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

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

### **Independence and internal audit's position within Southwark Council**

To provide for internal audit's independence, its personnel and external partners report to the Chief Audit Executive, who reports functionally to the Audit, Governance and Standards Committee. The Chief Audit Executive has free and full access to the Chair of the Audit, Governance and Standards Committee. The Chief Audit Executive reports administratively to the Strategic Director of Finance and Governance who provides day-to-day oversight.

The appointment or removal of the Chief Audit Executive will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit, Governance and Standards Committee.

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

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

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

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



### Internal audit's role in fraud, bribery and corruption

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

### Access to records and confidentiality

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

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, including the Data Protection Act 2018 and General Data Protection Regulation.

### Coordination and reliance with other assurance providers

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

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

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

### Internal audit's commitments to Southwark Council

Internal audit commits to the following:

- working with management to improve risk management, controls and governance within the organisation
- performing work in accordance with PSIAS
- complying with the ethical requirements of PSIAS
- dealing in a professional manner with the Council's staff, recognising their other commitments and pressures
- raising issues as they are identified, so there are no surprises and providing practical recommendations
- liaising with external audit and other regulators to maximise the assurance provided to the Council
- Reporting honestly on performance against targets to the Audit, Governance and Standards Committee.

### Internal audit performance measures and indicators

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

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

### Quality assurance and improvement programme

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

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

**Table One: Performance measures for internal audit**

Measure / Indicator
<b><i>Audit Coverage</i></b> Annual Audit Plan delivered in line with timetable Actual days are in accordance with Annual Audit Plan
<b><i>Relationships and customer satisfaction</i></b> Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit. Annual survey to Audit, Governance and Standards Committee to achieve score of at least 70% External audit can rely on the work undertaken by internal audit (where planned)
<b><i>Staffing and Training</i></b> At least 60% input from qualified staff
<b><i>Audit Reporting</i></b> Issuance of draft report within 3 weeks of fieldwork `closing` meeting Finalise internal audit report 1 week after management responses to report are received. 90% recommendations to be accepted by management Information is presented in the format requested by the customer.
<b><i>Audit Quality</i></b> High quality documents produced by the auditor that are clear and concise and contain all the information requested. Positive result from any external review

### Management and staff commitments to Internal Audit

The management and staff of Southwark Council commit to the following:

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

### Management and staff performance measures and indicators

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

**Table Two: Performance measures for management and staff**

Measure / Indicator
<b><i>Response to terms of reference and reports</i></b> Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt
<b><i>Implementation of recommendations</i></b> Audit sponsor to implement all audit recommendations within the agreed timeframe
<b><i>Co-operation with internal audit</i></b> Internal audit to confirm to each meeting of the Audit, Governance and Standards Committee whether appropriate co-operation has been provided by management and staff

### BDO key contacts

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<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date</b> 10 February 2020	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Annual report on corporate risk and insurance	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATION

1. That the audit, governance and standards committee note the annual report on corporate risk and insurance.
2. That the audit, governance and standards committee reviews the current corporate risk register and provides comments to officers for their consideration.

## BACKGROUND INFORMATION

3. This report provides an annual report on the council's key risk register. The key corporate risks were last reported to the committee in February 2019 with the 2019 risks, and this report provides an annual update.
4. This report also summarises the corporate risk management and insurance arrangements.
5. In addition also reported are details of the council's risk profile and risk categories.

## KEY ISSUES FOR CONSIDERATION

### Overview

6. The main purposes of the council's risk management process are to:
  - Enable risks to be effectively managed to ensure that the council meets its corporate and business objectives; and
  - Alert the council to new/increasing risks that may impact on the council's ability to serve its community
7. The council's risk profile is made up of key departmental risks and cross-departmental risks that the council faces in achieving its corporate aims and objectives, and is derived from an identification, assessment and mitigation of risk at departmental level based on the council's tolerance to these risks.

### Risk Categories

8. The council uses the following risk categories to capture risk:
  - Economic (e.g. credit crunch impacting on service delivery)
  - Financial (e.g. budgetary constraints)

- Reputational (e.g. failures of service delivery which hit the press)
  - Staffing & Culture (e.g. recruitment & retention)
  - Operational (e.g. services not being delivered)
  - Legal & Regulatory (e.g. not complying with a statutory duty)
9. The 2019 split of number of risks by risk category is displayed in the table below. The percentage of financial, legal & regulatory and operational risks remains at a consistent level compared with the percentages last reported.

Risk Category	Percentage (%)
Economic	5
Financial	18
Reputational	9
Staffing & Culture	11
Operational	34
Legal & Regulatory	22

### Corporate Risk Register

10. Each department has a departmental risk register. These are updated via the network of departmental risk champions who work with the departmental senior management teams to regularly update each risk register. Each risk register records the risk, assessment score, ownership and key controls and action plans to manage each risk.
11. Each risk contains a mitigation strategy that outlines both the current controls in place to manage the risk but also identifies where required any further controls needed to reduce the risk.
12. It is these individual risk registers stored on the council's risk management software system that are used to build the corporate risk register.
13. The departmental risk champions supported by the corporate risk and insurance manager collectively validate the individual departmental risk registers and carry out a review and aggregation exercise to identify the key risks facing the council as a whole. This base exercise was most recently repeated in December 2019 and the corporate risk register updated as appropriate.
14. An additional corporate risk has been added since the key corporate risks were last reported to the committee. This is CR19 and is a risk related to climate change. The corporate risk register has also been checked against the council's most recent annual governance statement to ensure coverage of appropriate areas.
15. Whilst a corporate risk related to Brexit is captured at CR9, there is also a separate Brexit risk register, updated via its own process and reported separately to the Brexit Panel and most recently to cabinet in January 2020.
16. The table below provides a breakdown of the number of risks (by their risk score range) across all council departments.

Risk Assessment	Score Range	Number of Risks	
		Jan 2019	Jan 2020
<b>Red</b>	76 - 100	16	19
<b>Amber</b>	37 - 75	52	52
<b>Yellow</b>	22 - 36	56	51
<b>Green</b>	1 - 21	44	27

17. The total number of risks in the database is currently 149 which is a decrease in the number of risks reported in 2019, which were 168.
18. Work is ongoing within departments on reviewing their risk registers. The quarterly risk champion meetings for the past year have also focused on a theme at each meeting, these being, fraud, IT, procurement and business continuity planning. The aim of this was to build relationships across the council and explore areas not previously looked at in depth. This will continue in 2020.

### **Key corporate risks**

19. As explained above, following a review and validation of the combined departmental risk registers and an aggregation exercise, the top risks across the council have been identified and also updated to include areas identified previously by this committee for consideration. These top risks are attached in appendix 1.
20. The top risks are generally those that have been assessed as amber or red and which appear in more than one departmental risk register, and are therefore relevant to more than one department. These top risks are those risks which often require most proactive management to ensure that all appropriate mitigation actions have been considered and are being implemented as far as possible.
21. In advance of reporting to the audit, governance and standards committee, these have been reported to the corporate governance panel.

### **Insurance overview**

22. The council purchases a number of different insurance policies to help protect the council against the potential financial loss resulting from a catastrophic insurable event. The council self-insures an element of this, and self insurance levels vary depending on the types of insurances.
23. Although it is not legally required to hold insurances other than fidelity guarantee insurance (the details of this insurance are explained in the appendix 2), in line with prudent financial management and in line with other local authorities, the council does purchase various liability insurances and property (asset) related insurances.
24. Under the council's financial standing orders, all insurance decisions are the responsibility of the Strategic Director of Finance and Governance. However, the council has limited control over its insurance framework as the public sector insurance market is prescriptive. Levels of cover, scope of cover and excess levels are dictated by what is available in a limited market.



### Insurance cover

25. The council's insurances fall into two main categories; property policies and liability policies:
- Property policies provide cover for the loss or damage to council assets
  - Liability policies protect the council against financial exposure resulting from individuals or organisations making a claim for loss or injury as a result of council activities
26. During the 2019 calendar year, there were 530 new public liability insurance claims made against the council. These were split as follows:

Damage to third party property	330
Personal Injury	178
Employee	19

27. 124 claims were made against property policies in 2019 and these all related to the motor fleet under the motor insurance cover.

### Policy implications

28. This report is not considered to have direct policy implications.

### Community impact statement

29. This report is not considered to have direct impact on local people and communities; however the management of risk is key to the successful achievement of the council's objectives.

### Resource implications

30. This report is not considered to have direct impact on resource implications, although the management of risk is a part of the effective management of resources.

### Consultation

31. Consultation has not been undertaken.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

32. None required.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

**APPENDICES**

<b>No.</b>	<b>Title</b>
1	The Key Corporate Risks as at January 2020
2	Insurances – summary as at January 2020

**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance		
<b>Report Author</b>	Laura Sandy, Corporate Risk and Insurance Manager		
<b>Version</b>	Final		
<b>Dated</b>	28 February 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	No	No	
<b>Cabinet Member</b>	No	No	
<b>Date final report sent to Constitutional Team</b>		28 February 2020	

**APPENDIX 1****The Key Corporate Risks as at January 2020**

<p><b>CR1. Economic / Financial</b> The continued uncertainty regarding local government funding beyond 2019-20 presents the s.151 officer with a challenge in terms of being able to recommend balanced budget proposals which reflect the council's priorities and ambitions</p>
<p><b>CR2. Financial</b> The cessation of or significant reduction in a council support service including key infrastructure now and in the future causes disruption to a range of front line and back office service delivery across the council arising especially as a consequence of budget reductions</p>
<p><b>CR3. Operational</b> The increasing need for and cost of demand led services such as social care, social housing, No Recourse to Public Funds and temporary accommodation results in significant overspends against budget.</p>
<p><b>CR4. Financial</b> Delays in paying claimants Universal Credit during the transition to it results in housing rent and other personal debt, and increased demand for other council services and consequential unfunded pressures.</p>
<p><b>CR5. Operational</b> Core business systems may become unavailable for prolonged and unpredictable periods of time across the whole council, impairing service delivery performance and impacting on resident satisfaction, the reputation of the council and staff motivation.</p>
<p><b>CR6. Operational</b> Unforeseen events and/or adverse public reaction to council programmes results in the failure of (or the serious delay to) key regeneration or direct delivery projects causing damage to the council's ability to meet the borough's long term housing and investment needs and resulting in short term financing or funding implications for the council.</p>
<p><b>CR7. Economic</b> The housing market in London adversely impacts on the council's financial arrangements and its ability to manage temporary accommodation, homelessness and housing investment.</p>
<p><b>CR8. Operational</b> An emergency occurs which affects critical services and the council's ability to deliver business as usual.</p>
<p><b>CR9. Operational</b> Legislative changes and issues arising from Brexit affecting the council's and its partners' ability to meet the demand for services and/or take advantage of opportunities and/or deal with increased threats due to lack of capacity leading to reduced performance and increasing costs</p>
<p><b>CR10. Staffing &amp; Culture</b> The data held and managed by council departments and its partners is neither appropriately shared nor used in an optimal way, hindering possible improvements and efficiencies in service delivery and resulting in potential risks to service users or employees.</p>
<p><b>CR11. Staffing &amp; Culture</b> Process, control, or management failure particularly during periods of significant change and ongoing funding reductions leads to a fraudulent activity resulting in financial consequences for the council.</p>
<p><b>CR12. Staffing &amp; Culture</b> Failure to ensure management action is taken, so that appropriate capacity and</p>

skills to deliver change are maintained through periods of reorganising and downsizing, which results in knowledge gaps, poor handover of contract management responsibilities or other consequences.
<b>CR13. Legal &amp; Regulatory</b> Failure on the part of the council or its partners to properly adhere to data processing legislation / regulation, which results in breaches when data is shared inappropriately leading to risk to individuals, ICO intervention and consequential financial penalties and reputational damage.
<b>CR14. Financial</b> Failure to invest appropriately in the maintenance or management of the council's assets or a sudden and unforeseen event which may give rise to unacceptable future liabilities.
<b>CR15. Legal &amp; Regulatory</b> Due to the rapid evolution of cyber security threats, the council and its partners may not be able to prevent an attack on infrastructure in an effective or timely manner, resulting in a breach of security.
<b>CR16. Staffing &amp; Culture</b> Failure to provide adequate provision of protection of staff, elected members, residents and all relevant stakeholders leading to their safety being compromised.
<b>CR17. Financial / Reputational</b> Service failure of a key provider or partner resulting in the council being held to account for the service delivery failure and having to step in to supply the service at additional cost and with resulting potential reputational damage.
<b>CR18. Financial / Reputational</b> Difficulties in delivering an ambitious council plan and service commitments in the current climate, resulting in adverse reputational impact.
<b>CR19. Financial / Reputational</b> Failure to adapt to the impact of climate change and the climate emergency result in the council being unable to deliver effectively in line with its climate emergency strategy.

**APPENDIX 2****Types of Insurance Held by the Council**

<b>Insurance Type</b>	<b>Description of Cover</b>	<b>Examples</b>	<b>Insurer</b>	<b>Extent of Cover</b>	<b>Annual Review/ Renewal</b>
<b>Public Liability</b>	As a result of negligence of the council in carrying out its duties, 3rd parties suffer injury or loss.	1. Slip, trip or fall resulting in personal injury 2. Tenant property damage as a result of council negligence in repairing the property 3. Historic child abuse claim	RMP QBE	All Council	1 October
<b>Employers Liability</b>	As a result of negligence of the council, employees (including volunteers, members etc) have suffered injury.	1. Employee falls down stairs and believes the council was negligent (e.g. unsafe working place). 2. Teaching assistant / care working assaulted by 3rd party and believes the council should have provided better protection.	RMP QBE	All Council	1 October
<b>Officials Indemnity</b>	As a result of negligence of a council employee carrying out a statutory duty, a 3rd party suffers a financial loss.	1. Land search is carried out by the council and incorrect information is given to a 3rd party who suffers loss as result.	RMP QBE	All Council	1 October
<b>Professional Indemnity</b>	As a result of the negligence of a council employee carrying out a non-statutory duty, a 3rd party suffers a financial loss.	1. A non-statutory professional service provided by the council e.g. legal advice given is incorrect and 3rd party suffers loss as a result.	RMP QBE	All Council	1 October
<b>Libel And Slander</b>	As a result of writing or doing something that is slanderous to a 3rd party the council is sued for financial loss.	1. Writing something dishonest regarding an individual.	RMP QBE	All Council	1 October

<b>Property (General)</b>	Property damage to school or council office	1. Major fire / flood at council property or school contained in the property schedule.	Zurich	All Council	1 October
<b>Property (Housing)</b>	Property damage to housing stock	1. Major fire or flood at a council owned housing block in the housing schedule of properties.	Zurich	Housing Department	1 October
<b>All Risks</b>	Cover for various works of art and jewels.	1. Theft of mayor's regalia or work of art.	Zurich	All Council	1 October
<b>Money</b>	Money in storage or in transit.	1. Hold up of cash in transit	Zurich	All Council	1 October
<b>Computers</b>	Property damage to removable computer equipment, including servers, laptops etc	1. Fire at general property with damage to computer equipment.	Zurich	All Council	1 October
<b>Crime (Fidelity Guarantee)</b>	An employee defrauds the council of money or assets	1. Officer of the council in collusion with 3rd party circumvents the council's controls to take money or assets.	Zurich	All Council	1 October
<b>Personal Accident and Travel</b>	Non-accidental injury to employee during the course of their employment. Cover also in force when an insured person is travelling on official duties	Member of public attacks and injures an employee of the council while doing their job Cover also provided for medical expenses	RSA	All Council	1 October

<b>Out of School Activity &amp; Pupil Personal Accident Insurance</b>	Travel insurance cover for all insured persons (pupils, teaching and support staff, adult volunteers, helpers and assistants, and other authorised children) of participating schools whilst on organised trips outside the designated school boundaries. Also includes cover for accidents within the school boundaries.	1. School trips cancelled for insurable reason, i.e. sickness / ill health. 2. Injury of pupil while on school trip. 3. Injury whilst within the school boundaries	Chubb	Schools who have bought into the policy.	1 October
<b>Medical Malpractice</b>	Specialist cover for teachers and school helpers who may be required to provide medical procedures to pupils in their care	1. Teaching assistant treats a child with complex medical condition and child suffers injury.	C N A	Schools who have bought into the policy.	1 October
<b>Motor</b>	3rd party motor insurance and accidental damage above excess for council motor vehicles.	1. Council employee while driving injures / kills third party driver, or causes serious damage to vehicle / property.	Zurich	All Council	1 October
<b>Terrorism Cover</b>	Insurance of property against physical loss or physical damage occurring during the period of insurance caused by an Act of Terrorism and/or Sabotage	Act of Terrorism and Act of Sabotage definitions are available	Lloyd's Underwriters	160 Tooley Street & Queens Road Complex	1 October

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		Report on the operational use of the Regulation of Investigatory Powers Act 2000	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Law and Democracy	

## RECOMMENDATION

1. That the committee note the information relating to the use of RIPA for the period shown.

## BACKGROUND INFORMATION

2. The Regulation of Investigatory Powers Act 2000 (RIPA) puts a regulatory framework around a range of investigatory powers used by local authorities. This is done to ensure the powers are used lawfully and in a way that is compatible with the European Convention on Human Rights. It also requires, in particular, those authorising the use of covert techniques to give proper consideration to whether their use is necessary and proportionate.
3. RIPA legislates for the use by local authorities of covert methods of surveillance and information gathering to assist in the detection and prevention of crime in relation to an authorities core functions.
4. At their meeting on 13 October 2010 the former committee agreed to consider reports on the use of RIPA.

## KEY ISSUES FOR CONSIDERATION

5. The council's use of these powers is subject to regular inspection and audit by the Office of the Surveillance Commissioner (OSC) in respect of covert surveillance authorisations under RIPA. During these inspections, authorisations and procedures are closely scrutinised and Authorising Officers are interviewed by the inspectors.
6. The council was last inspected by HH Brian Barker, Assistant Surveillance Commissioner, on 3 October 2016. The council; is due to be inspected again on 18 March 2020. Officers will update the committee with the outcome.
7. Local authority authorisations and notices under RIPA (Regulation of Investigatory Powers Act 2000) will only be given effect once an order has been granted by a Justice of the Peace. Authorisations are for 3 months and can only be extended with further judicial approval. Within the 3 month period they are subject to monthly reviews to ensure they are still required.
8. Additionally, local authority use of directed surveillance under RIPA has been limited to the investigation of crimes which attract a six month or more custodial sentence, with the exception of offences relating to the underage sale of alcohol and tobacco.



9. Appendix A shows the usage for the period 1 January 2019 to 31 December 2019. Appendix B shows the usage for the period 1 April 2010 to 31 December 2018 for comparison purposes.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Constitution	2nd floor, PO Box 64529, London, SE1P 5LX	Virginia Wynn-Jones 020 7525 7055
<a href="http://www.southwark.gov.uk/YourCouncil/HowTheCouncilWorks/councilconstitution.html">http://www.southwark.gov.uk/YourCouncil/HowTheCouncilWorks/councilconstitution.html</a>		

## APPENDICES

No.	Title
A	1 January 2019 to 31 December 2019
B	1 April 2010 to 31 December 2018

## AUDIT TRAIL

<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Democracy		
<b>Report Author</b>	Norman Coombe, Head of Corporate Team		
<b>Version</b>	Final		
<b>Dated</b>	20 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Director of Law and Democracy	Yes	Incorporated	
Strategic Director of Finance and Governance	No	No	
<b>Cabinet Member</b>	N/a	N/a	
<b>Date final report sent to Constitutional Team</b>		20 January 2020	

**APPENDIX A****RIPA requests 1 January 2019 to 31 December 2019**

<b>Reference</b>	<b>Date authorised</b>	<b>Purpose</b>	<b>Length of investigation</b>	<b>Were investigators given extra authorisation to acquire/access confidential information?</b>
EN88	05.09.2019	Surveillance of suspect suspected of selling illicit tobacco	Terminated 11.12.2019	No

**APPENDIX B****RIPA requests 1 April 2010 to 31 December 2018**

<b>Reference</b>	<b>Date authorised</b>	<b>Purpose</b>	<b>Length of investigation</b>	<b>Were investigators given extra authorisation to acquire/access confidential information?</b>
EN55	01.04.2010	Covert surveillance to detect fraud	Authorisation cancelled 12.05.2010	No
N/A	29.04.2010	Proposed use of covert CCTV to gather evidence of begging & ASB	Refused	N/A
N/A	24.06.2010	Proposed covert surveillance of bar/club by Officers to establish whether unauthorised activities taking place	Refused	N/A
EN57	13.07.2010	Under age goods sales test purchasing -	3 months	Yes
EN58	01.04.2011	Under age goods sales test purchasing -	3 months	No
EN59	11.05.2011	Under age goods sales test purchasing -	3 months	Yes
EN60	20.10.2011	Under age goods sales test purchasing	3 months	Yes
EN61	28.10.2011	directed surveillance for the identification of persons	3 months	Yes

Reference	Date authorised	Purpose	Length of investigation	Were investigators given extra authorisation to acquire/access confidential information?
		supplying illegal products		
EN62	09.02.2012	Under age goods sales test purchasing	3 months	Yes
EN63	30.06.2012	Under age goods sales test purchasing	3 months	No
EN64	25.10.2012	under age test purchase for the sale of tobacco, alcohol and knives	3 months	No
EN65	25.11.2013	sale of counterfeit tobacco	Terminated 10.01.2014	No
EN66	20.01.2014	sale of counterfeit tobacco	Terminated 04.04.2014	No
EN67	15.11.2014	sale of counterfeit tobacco	Refused	N/A
EN68	15.12.2014	sale of counterfeit tobacco	Terminated 07.01.2015	No
EN69	18.09.2015	sale of counterfeit tobacco	Terminated 01.12.2015	NO
EN70		sale of counterfeit	Refused	N/A

Reference	Date authorised	Purpose	Length of investigation	Were investigators given extra authorisation to acquire/access confidential information?
		tobacco		
EN71	23.12.2015	sale of counterfeit tobacco	Terminated 10.02.2016	NO
EN72	23.12.2015	sale of counterfeit tobacco	Terminated 01.02.2016	NO
EN73	23.12.2015	sale of counterfeit tobacco	Terminated 10.02.2016	NO
EN74	23.12.2015	sale of counterfeit tobacco	Terminated 01.02.2016	NO
EN75	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN76	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN77	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN78	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN79	29.11.2016	sale of counterfeit tobacco	Terminated 23.01.2017	NO
EN80	29.11.2016	sale of counterfeit tobacco	On going	Not applicable as still first period
EN75	13.01.2016	surveillance	Terminated	NO

Reference	Date authorised	Purpose	Length of investigation	Were investigators given extra authorisation to acquire/access confidential information?
		concerning sale of unsafe food	12.02.2016	
EN76	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN77	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN78	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016	NO
EN79	29.11.2016	sale of counterfeit tobacco	Terminated 23.01.2017	NO
EN80	29.11.2016	sale of counterfeit tobacco	Terminated 24.02.2017	NO
EN81	24.03.2017	surveillance concerning sale of illegal skin lightener	Terminated 08.05.2017	NO
EN82	13.07.2017	surveillance concerning prolific fly tipping	Terminated 12.10.2017	NO
EN83	15.01.2018	Surveillance of suspect suspected of selling illicit tobacco	Terminated 09.04.2018	No
EN84	17.09.2018	Surveillance of suspect suspected of selling illicit tobacco	Terminated 03.10.2018	
EN85	15.08.2018	Surveillance of suspect suspected of selling illegal skin lighteners	Terminated 21.08.2018	

Reference	Date authorised	Purpose	Length of investigation	Were investigators given extra authorisation to acquire/access confidential information?
EN86	It was decided to withdraw the application due to operational reasons before authorisation			
EN87	15.10.18	Surveillance of suspect suspected of selling illicit tobacco	Terminated 13.12.2018	

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		Review of the complaints made under the Code of Conduct	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Law and Democracy	

## RECOMMENDATIONS

1. That the committee notes this report.

## BACKGROUND INFORMATION

2. The Localism Act 2011 ("the Act") provides for the abolition of the former standards regime including Standards for England, statutory standards committees, the jurisdiction of the First Tier Tribunal over standards of conduct, and a nationally set code of conduct for councillors.
3. Southwark formed a standards committee and appointed independent persons. Southwark have three independent persons.
4. The responsibility for standards activity including the monitoring of the operation of the member's code of conduct ("the code") passed to this committee in April 2016.

## KEY ISSUES FOR CONSIDERATION

5. The Act requires local authorities to have arrangements to investigate allegations of breach of the code of conduct against members and make decisions on them. The current arrangements, with revisions, have been in place since 1 July 2012. The new arrangements have allowed the monitoring officer to provide local solutions to resolve complaints without formal investigations.
6. Since 2012 the monitoring officer agreed to analyse the complaints data and report this information to appropriate committee annually. The data for January 2014 to December 2019 is shown in appendix A.

## Conclusions

7. Since the sharp increase in 2016 the numbers of complaints remain at a low level. The monitoring officer has grouped complaints against members from multiple members of the public, so the actual number of complaints is higher.
8. It should also be noted the monitoring officer received a number of other grievances which were not considered to be complaints against the code.
9. Again there are no clear causes for complaints, although many arise from members of the public being unable to resolve issues with the council or disagreement with



council decisions or policies. Once again the use of social media led to a number of complaints.

10. The two new independent persons are acquiring experience and they, along with the third independent persons have been useful in assisting the monitoring officer in assessing complaints and finding solutions. The intervention of the Whips to resolve complaints involving members was also another factor in producing local solutions or avoiding formal solutions.
11. The cost of these complaints is difficult to quantify because officer and member time in assisting with the complaint is not all recorded.

### **Complaints which required investigation**

12. One complaint required external investigation in this period.

### **Complaints which required determination by sub-committee**

13. A complaint was made in 2018 by a member of the public against a councillor. The complaint related to some tweets made by the member in October 2017 and April 2018. The monitoring officer appointed an external solicitor to investigate.
14. After an investigation the investigating officer concluded the one of the tweets was in breach of the Code of Conduct and it was probable this tweet would not receive protection under Article 10 of the European Convention on Human Rights (ECHR).
15. Article 10 of the ECHR provides the right to freedom of expression and information, subject to certain restrictions that are "in accordance with law" and "necessary in a democratic society". This right includes the freedom to hold opinions, and to receive and impart information and ideas.
16. The monitoring officer, after deciding with the independent person that local resolution was not possible, referred the matter to the standards committee ("the conduct sub-committee") for a hearing.
17. Following a hearing in accordance with the arrangements the conduct sub-committee agreed that they are not satisfied that the councillor is in breach of the Code of Conduct.

### **Report back on local resolution**

18. In appropriate cases the Monitoring Officer may seek to resolve the complaint informally, without the need for formal investigation. Such informal resolution may involve the member accepting their conduct was unacceptable and offering an apology, or other remedial action by the authority. The Monitoring Officer will in this case send out a decision notice to the person making the allegation, the member who is the subject of the allegation and any other persons the Monitoring Officer considers appropriate.
19. There were two such resolutions in 2016 and one in 2019. In first 2016 case the deputy monitoring officer considered local resolution was possible. He consulted with the independent person and the subject member. As a result the subject member offered a formal apology for their conduct.

20. In the second 2016 case, the monitoring officer consulted with the independent person and the subject member. As a result the subject member offered a written apology for their conduct.
21. In the 2019 case the deputy monitoring officer considered local resolution was possible. He consulted with the independent person and the subject member. As a result the subject member offered a formal apology for their conduct.

### **Community impact statement**

22. The ability for members of the public to make complaints about councillors' failure to comply with a code of conduct may be of concern to local people and communities which could result in a perception of poor governance. This could affect the reputation of the council.
23. However the council maintains an open and transparent process for making complaints against members, information is assessable on the council's website.

### **Resource implications**

24. Any implications can be maintained within current budgets.

### **Legal implications**

25. The specific legal implications relating to this report have been included in the report.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
The Constitution.	2nd floor, PO Box 64529, London, SE1P 5LX	Virginia Wynn-Jones 020 7525 7055
<a href="http://www.southwark.gov.uk/YourCouncil/HowTheCouncilWorks/councilconstitution.html">http://www.southwark.gov.uk/YourCouncil/HowTheCouncilWorks/councilconstitution.html</a>		

## **APPENDICES**

<b>No.</b>	<b>Title</b>
A	Complaints Breakdown

**AUDIT TRAIL**

<b>Lead Officer</b>	Doreen Forrester-Brown Director of Law and Democracy		
<b>Report Author</b>	Norman Coombe, Head of Corporate Team		
<b>Version</b>	Final		
<b>Dated</b>	8 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>	
Director of Law and Democracy	Yes	Incorporated	
Strategic Director of Finance & Governance	No	No	
<b>Cabinet Member</b>	N/a	N/a	
<b>Date final report sent to Constitutional Team</b>		8 January 2020	

**Complaints Breakdown**

<b>Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total number of complaints</b>	3	4	14	7	5	1
<b>Member complaints against member</b>	None	None	None	None	None	None
<b>Member of public complaints against members</b>	3  1 [sent for investigation local solution by monitoring officer]  1 [sent for investigation no breach]  1 [no further action]	4  1 [local solution by monitoring officer]  3 [sent for investigation no breach]	14  1 [withdrawn] 2 [local solution by monitoring officer]  11 [ no breach of the code identified]	7  7 [no breach of the code identified]	5  4 [no breach of the code identified]  1 [determined by Sub-Committee]	1  1 [local solution by monitoring officer]
<b>Officer complaints against members</b>	None	None	None	None	None	None

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Review of Member and Officer Protocol and Communications Protocol	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Law and Democracy	

## RECOMMENDATIONS

1. That the committee note this report.
2. That the committee recommends to council assembly that the Member and Officer Protocol be amended as shown in Appendix 1.

## BACKGROUND INFORMATION

3. The Member and Officer Protocol and Communication Protocol were introduced in May 2004.
4. The audit, governance and standards committee have a role of advising the council on the revision of these protocols. Any changes to the protocols will be further considered by the constitutional steering panel and agreed by council assembly.

## KEY ISSUES FOR CONSIDERATION

### Member and Officer Protocol

5. The Member and Officer Protocol states, at paragraph 5, that the audit, governance and standards committee and the monitoring officer will jointly keep the protocol under review and make recommendations for changes as appropriate. Review will take place in time for an updated version to be circulated annually after annual council with the new constitution, to all members and officers.
6. The monitoring officer considers that the protocol needs to be updated to make clear the requirements of freedom of information requests for emails held by members
7. A copy of the revised protocol is attached as Appendix A.

### Communications Protocol

8. The monitoring officer has considered the protocol and at this time is not recommending any changes.
9. A copy of the Communications Protocol is attached as Appendix B.

### Community impact statement

10. Good relationships between members and officers are very important in aiding the decision-making process and helping to boost public confidence in the Council. A protocol that defines each party's responsibilities creates certainty, which in turn leads to better decision-making and a more satisfied customer.

### Legal implications

11. There are no specific legal implications on this report.

### Resource implications

12. Any resource implications will be contained within existing budgets.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Constitution	Constitutional Unit, 2nd floor, PO Box 64529, London, SE1P 5LX	Virginia Wynn-Jones 020-7525-7228
Code of recommended practice on local authority publicity	Legal Services, 2nd floor, PO Box 64529, London, SE1P 5LX	Norman Coombe 020-7525-7678

## APPENDICES

No.	Item
A	Member and Officer protocol
B	Communication protocol

## AUDIT TRAIL

<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Democracy		
<b>Report Author</b>	Norman Coombe, Head of Corporate Team		
<b>Version</b>	Final		
<b>Dated</b>	21 October 2019		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>	
Director of Law And Democracy	Yes	Incorporated	
Strategic Director of Finance and Governance	No	No	
<b>Cabinet Member</b>	N/a	N/a	
<b>Date final report sent to Constitutional Team</b>		21 October 2019	

## MEMBER AND OFFICER PROTOCOL

### Role and purpose

1. The purpose of this protocol is to set down principles and procedures, which have been jointly agreed by officers and members to guide their joint working in the public interest. The protocol supplements and interprets, but does not supplant:
  - statutory provisions, the code of conduct for members and other codes and guidance
  - the other provisions of the council's own adopted constitution and especially the rules of procedure
  - the disciplinary codes which regulate the conduct of officers, details of which can be found on the council's intranet at:  
<http://thesource/SectionLandingPage.asp?id=2089>.
2. It contains interpretation and guidance on some of the issues which commonly arise. It cannot cover every matter which will arise in council life but it reflects an approach and sets standards which will serve as a guide to dealing with other issues. It is intended to guide new members and officers and explain to them what they can expect of each other. It also explains what to do when things go wrong.
3. This protocol also applies to voting non-elected members of committees and also to consultants and agency staff working for the council, to whom a copy should be supplied. With regard to associates from partnership organisations, where their organisation has no code of conduct, it is expected they will abide by the principles of Southwark's code and this protocol.
4. Members appointed to outside bodies or partnership organisations as representatives of Southwark Council need to be aware that the code of conduct for members will apply to these appointments. However, members are advised to be aware that other conduct arrangements of the outside body are likely to exist. In those circumstances, members should comply with both sets of conduct arrangements, unless the code of conduct for members conflicts with the lawful obligations of the outside body. Further assistance is given in the *guidance for councillors on membership of outside bodies* issued by the monitoring officer.

### Review

5. The standards committee and the monitoring officer will jointly keep the protocol under review and make recommendations for changes as appropriate. Review will take place in time for an updated version to be circulated annually after annual council with the new constitution, to all members and officers.

## **Definition of the role of officers and members**

6. Both councillors and officers are servants of the public and they are indispensable to one another but their responsibilities are distinct.

### *Members*

7. Councillors are responsible to the electorate and serve only so long as their term of office lasts. All councillors have responsibilities to determine the policy of the council, monitor its performance, represent the council externally and act as advocates on behalf of their constituents. Cabinet members, chair and vice-chairs of scrutiny and other committees may also have additional responsibilities. However, all councillors have the same rights and obligations in their relationship with officers and should be treated equally.

### *Officers*

8. Officers are responsible to the council. Their job is to give full and impartial advice to councillors and the council, and to carry out the council's work under the direction and control of the council, its cabinet, committees and sub-committees. Within these guidelines all officers should endeavour to give every assistance to members carrying out their various roles. Officers have a duty to keep members of all political groups fully informed about developments of significance in relation to council activities.

## **Member officer relations**

9. One of the key issues addressed by the member and officer protocol is the question of member officer relations. Mutual trust and respect should be the key aim of both members and officers, as it is essential for good local government.

### *Obtaining or granting favours*

10. The member code of conduct emphasises the need for members to avoid behaviour which could be viewed as conferring an advantage or disadvantage on an officer. Members should not seek personal favours from officers. Officers should not be tempted to give favours to please a councillor. An example of favour seeking would be asking whether a councillor's parking ticket could be withdrawn or whether an application for a service could be expedited. Similarly officers should not seek to circumvent agreed staff consultative procedures by lobbying councillors on matters which directly concern them as employees.

### *Member involvement in officer issues*

11. Issues relating to the appointment, management and dismissal of most officers are reserved by law to the chief executive and officers appointed by him/her. Member involvement in employment issues generally, including where they relate to senior officers is set out in the Local Authorities (Standing Orders) (England) Regulations 2001 and within the council's constitution.
12. Where an employee is also a constituent it may be proper for the member to make written/oral representations to the relevant chief officer, or disciplinary hearing, but the member should not take a proactive part representing or in any



other way advocating on behalf of any such employee in any disciplinary procedures brought by the council against the employee.

#### *Personal familiarity*

13. Personal familiarity between members and officers can undermine public confidence in the council. It is acknowledged that some close relationships will inevitably develop, particularly when officers and cabinet members or chairs of committees work closely together. It is important that close relationships between members and officers are openly declared and should never be allowed to become so close, or appear to be so close as to bring into question the officer's ability to deal impartially with other members and other party groups, nor to undermine public trust and confidence in the council. Where possible members and officers who have close personal relationships should try to avoid coming into contact on projects and in the day-to-day business of the council.

#### *Courtesy*

14. Members and officers should be courteous to each other at all times even if they disagree strongly with each others' views.

#### *Bullying*

15. Members and officers must not bully any person. Bullying may be characterised as offensive, intimidating, malicious, insulting or humiliating behaviour. Such behaviour may happen once or be part of a pattern of behaviour directed at a weaker person or person whom the member or officer has some actual or perceived influence over.
16. Bad relations between members and officers can be equally destructive to good governance. Members may from time to time become frustrated by what they regard as unacceptable or incompetent officer behaviour. It is self-evident that sometimes these feelings may be entirely justified although sometimes there may be a legitimate reason why member expectations cannot be met, e.g. because of a council policy or a legal requirement such as confidentiality.
17. However, members should take up their concerns through the procedure described in this document (paragraph 82 onward), rather than through public criticism. They should bear in mind that officers are instructed not to "answer back" in public. Attacking an officer's conduct in public can constitute bullying, as can undue pressure brought by either officers or members in private.

#### *Lines of contact between members and officers*

18. It must be remembered that officers within a department are accountable to their chief officer. Chief officers through their senior management are responsible for the allocation of work to, and the prioritising of work by, their staff.
19. Members should direct enquiries to staff through senior management, or if the matter is routine at least keep a senior manager informed by copying the manager in on correspondence or emails.

20. Officers should not leave confidential or sensitive information visible on their workstation or in other areas and should lock them away if they have to leave that area for any reason.
21. Where members and officers share an office building particular care needs to be taken to maintain appropriate lines of contact. Members and officers are reminded that within an open plan environment office certain standards are expected to be maintained. In particular meetings should not be held at workstations, members and officers should use the meeting facilities provided and sensitive or confidential issues should not be discussed in the open plan environment. Further details of the standards can be found on the intranet.
22. Officers should always seek to assist members but in so doing they must not go beyond the bounds of whatever authority they have been given by their chief officer under the scheme of management.

### **Registration of disclosable pecuniary interests**

#### *Notification of disclosable pecuniary interests*

23. Within 28 days of becoming a member or co-opted member, the member must notify the monitoring officer of any 'disclosable pecuniary interests'.
24. What is a 'disclosable pecuniary interest' is detailed in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. The monitoring officer has provided guidance and will give advice should members require it.
25. A 'disclosable pecuniary interest' is an interest of the member or their partner (which means spouse or civil partner, a person with whom the member is living as husband or wife, or a person with whom the member is living as if they are civil partners).

#### *Register of interests*

26. Any interests notified to the monitoring officer will be included in the register of interests. A copy of the register will be available for public inspection and will be published on the council's website.

#### *Sensitive interests*

27. Where the member considers that disclosure of the details of a disclosable pecuniary interest entered in the register could lead to the member, or a person connected with the member, being subject to violence or intimidation, and the monitoring officer agrees, then copies of the register that are made available for inspection and any published version of the register will not include details of the interest, but may state that the member has a disclosable pecuniary interest, the details of which are withheld under Section 32 of the Localism Act 2011.

#### *Disclosable pecuniary interest in matters considered at meetings*

28. If the member is present at a meeting of the council assembly, or any committee, sub-committee, joint committee or joint sub-committee of the council, or any meeting of the cabinet or a committee of the cabinet, and they

are aware they have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting,

- They may not participate in any discussion of the matter at the meeting
  - They may not participate in any vote taken on the matter at the meeting
  - If the interest is not registered, the member must disclose the interest to the meeting
  - If the interest is not registered and is not the subject of a pending notification, the member must notify the monitoring officer of the interest within 28 days.
29. Members who have a disclosable pecuniary interest in any matter to be considered or being considered at any meeting or by an individual cabinet member must not seek improperly to influence a decision about that business.
30. Where a cabinet member may discharge a function alone and becomes aware of a disclosable pecuniary interest in a matter being dealt with or to be dealt with by her/him, the cabinet member must notify the monitoring officer of the interest within 28 days and must not take any steps or further steps in the matter.

#### *Dispensations*

31. The monitoring officer may grant any member a dispensation, but only in limited circumstances, to enable the member to participate and vote on a matter in which the member has a disclosable pecuniary interest.

#### **Gifts and hospitality**

32. Members should not compromise their position by accepting any gifts or hospitality which may give the impression that they might be, or might be thought by others to have been, influenced in making an important decision as a consequence.
33. Member must register any gifts or hospitality given to them or to their partner (as defined in paragraph 25) if given to them directly worth £50 or over. A copy of the register will be available for public inspection and will be published on the council's website.
34. Members must also register what the gift is, the donor (the person, company or body) of the gift or hospitality; the date of the gift, and the value. Members only have to register gifts that are received in connection with their official duties as a member. Members do not have to register other gifts and hospitality, such as birthday gifts from family.

#### **Visits to offices by members**

35. In relation to visits to front-line services by members, members (except when accessing services as a resident of the borough) should always advise the relevant chief officers in advance of such visits. If the visit is of a statutory inspection nature other procedures apply.

36. Making an agreed time to meet with an officer is a better way of working than arriving at an officer's desk. Managers will have agreed work priorities with staff.
37. Members are advised that they carry some personal responsibilities to ensure health and safety standards are maintained at all times while on council premises and also for their private guests. Members are advised that their private guests also have personal responsibilities regarding health and safety.

## **Reports**

38. Officers' reports should contain clear, evidence-based advice as to why a course of action is being recommended. From time to time corporate advice is given to officers on report writing and they should take care to follow it. The report should lay out all relevant factors for the decision maker, and examine all alternatives in an even handed way. Officers should take care to include even unpopular options if they feel they are relevant.
39. Members can refuse to agree recommendations and table amendments to any recommendations. The member should be clear about the reasons for making alternative recommendations, and any amendments or recommendations proposed at a meeting should have a clear and rational basis, which is accessible to the public.
40. With cabinet reports the report writer should consult with the relevant cabinet member(s). That member is able to write his or her report in addition to the report submitted by the chief officer.
41. Where there is disagreement about the right course of action, it is always best practice for this to be open with both opinions available for discussion. Sometimes, in the course of preparing reports, these disagreements can be reconciled. However, it is always poor practice to bring pressure to bear on officers unwilling to amend their professional judgement, and in some cases this could be construed as bullying.
42. In relation to action between meetings, it is important to remember that the law only allows for decisions (relating to the discharge of any of the council's functions) to be taken by the cabinet, a cabinet member, a committee, a sub-committee or an officer. It is however both legal and good practice for cabinet members individually and as a whole, and chairs of committees to be briefed by officers in advance of meetings and also to meet to plan agendas for meetings.

## **Officer advice to party groups**

43. There is a statutory recognition for party groups and it is common for such groups to give preliminary consideration to matters of council business in advance of such matters being considered by the relevant decision making body. The opposition groups may seek support to enable them to function as an effective opposition on the bodies on which they sit.
44. Officers may properly be called upon to support and contribute to such deliberations by party groups, provided they maintain a stance which is politically impartial. Officers should be required to give information and advice to political groups on matters relating to the council's functions only and not on matters which are primarily issues of party politics or political strategy. It is

important that the political neutrality of officers is preserved. When engaging council officers at group meetings, party members should seek to avoid involving them in any political debate. With the exception of political assistants, officers should not attend, or be invited to attend, any political group meeting which includes non-council members.

45. Attendance at group meetings should normally be restricted to chief officers. If other officers are required this should be organised by the chief officer.
46. These briefings are confidential, to allow the free expression of views, and officers must be careful to maintain confidentiality. However, any written report supplied to a party political group must be accessible to members of other parties.

### **Support services for members**

47. The role of officers is to assist members in discharging their role as members of the council for council business and in their role as advocates for local communities. Officers should not be used in connection with party political campaigning or for private purposes, and this includes the support offered by political assistants.
48. Council resources (e.g. stationery and photocopying) may only be used for council business or when they are directly required for any office to which the member has been elected or appointed by the council.
49. Support to members is a resource, which is subject to the same budget pressures as any other. Given its importance to how effective members can be, it is essential that its allocation is agreed to be fair and in proportion to the duties of all groups of members.
50. Direct support and administrative help is provided by member services. Information technology support and training responsibilities are shared between a number of sections but are co-ordinated through the member services section. From time to time training and guidelines on the proper and effective use of council supplied IT resources will be issued. Requests for further assistance or clarification should be referred in the first instance to the proper constitutional officer.
51. Use of council resources includes the use of council owned facilities. Outside of council meetings, political groups represented on the council may use meeting rooms at 160 Tooley Street for private meetings of their group which will include ordinary group meetings and training sessions under the standard room booking arrangements. The council's offices at Queens Road are also available for these purposes. Other council owned function rooms can be hired under the council's normal conditions of charging for other types of meetings.
52. During the published normal business hours, elected members may also book meeting rooms at Tooley Street and Queens Road via member services for meetings with constituents. Any meeting outside of normal hours, or that attract special facilities or security requirements, will be chargeable. Members should discuss these matters in the first instance with member services. This facility is subject to availability and the normal booking constraints of rooms, including the priority given to official council and committee meetings and does not

extend to open and public meetings as these require risk assessment and proper arrangements to be in place.

53. Where an officer is present at a meeting involving members, the officer should always lead on making the room booking arrangements.

### **Member development programme**

54. The council runs a member development scheme which is coordinated through the organisational development team. The scheme reflects the obligation on all parts of the council to ensure that all members are able to achieve their full potential in the position to which they have been elected. When this is achieved it benefits the council as a whole and the people of the borough but it also improves the mutual understanding of members and officers.
55. Further advice on support for members can be obtained from member services.

### **Use of Information Technology**

56. Where a member is using or accessing the council's resources, s/he must act in accordance with the council's requirements and ensure such resources are not used for any unauthorised or political purpose. This includes information technology (IT) resources; the term 'IT', means computers and any systems used to create, store, print or exchange information electronically. Similarly 'computer' means an electronic device used for storing and processing information, such as desktop and notebook computers (laptops) and hand held devices (such as BlackBerrys).
57. Members must not use any computer equipment and systems supplied by the council to conduct any business activity other than for their role as a councillor.

### **Using and caring for equipment**

58. Members have a personal responsibility for any IT equipment supplied to them by the council and should take all reasonable steps to ensure that this equipment is kept safe and in good working order. Members should report any loss/theft to member services, but should note that only one issue and one upgrade will be paid for by the council in any 4-year term of office. Members should report any technical problems, lack of service etc. to the council's contractor.
59. Members are advised to consider adding council issued equipment to their home insurance arrangements. Members will be able to claim any additional related premium from the council.
60. A restricted level of personal use of the equipment is permitted provided it does not constitute misuse as detailed in the communication protocol. Members will need to:
  1. reimburse the council for any personal use of equipment that incurs a cost to the council or;
  2. confirm that all costs were associated with official council business.

Members will also be responsible for any use of equipment, authorised by them or not (unless reported lost or stolen), and hence any associated costs.

61. Members are reminded that details of expenses paid on their behalf are published on the Southwark website.
62. IT equipment supplied to members remains the property of the council and must be returned when their period of office ends. In addition, members may be asked to return the equipment for servicing.

### **Political assistants**

63. The Local Government and Housing Act 1989 gives councils a power to appoint political assistants to qualifying political groups. Southwark Council currently employs political assistants to the two largest groups. Political assistants are council officers who are employed to assist members of a political group, "in the discharge of any of their functions as members of a relevant authority". Unlike other officer appointments, the political affiliations and preferences of the political group for whom the assistant is hired can be taken into account in the selection process. They provide a useful means of broadening the base of advice to members.
64. The act also restricts the work that political assistants can do. A political assistant's role is to provide assistance to members in carrying out their duties as members of the authority, and not in any additional political, or other, activity. For example, political assistants are not employed to work on election campaigns. Political assistants hold politically restricted posts under the Local Government and Housing Act 1989, and therefore also face restrictions on their personal political activity.

### **Members' access to information and council documents and data information**

65. Members often require access to information to carry out their work in decision making, scrutiny, and representing their constituents. Officers should always process such requests promptly. They are required to ensure that the information required can be released. In some cases they will need to consult their managers or third parties who may hold the information, which may cause some delay.
66. The process for obtaining information is set out in the access to information rules in the council's constitution. Advice on the legal framework can be obtained from the monitoring officer.
67. The common law right of members is based on the principle that any member has a prima facie right to inspect council documents so far as his/her access to the documents is reasonably necessary to enable the member properly to perform their duties as a member of the council. This principle is commonly referred to as the "need to know" principle and it is well established that a member has no right to "a roving commission" to go and examine documents of the council. The crucial question is the determination of the "need to know" and this question must initially be determined by the particular chief officer whose department holds the document in question (with advice from the monitoring officer).
68. In some circumstances (e.g. a cabinet or scrutiny committee/commission member wishing to inspect documents relating to the functions of their portfolio/committee/commission) a member's "need to know" will normally be

presumed, and also where the member is representing a constituent within his ward, although in these cases there may be legal reasons restricting the information that can be produced. In other circumstances (e.g. a member wishing to inspect documents which contain personal information about third parties) a member will normally be expected to justify the request in specific terms in writing.

69. Guidance on holding and processing data to comply with the Data Protection Act can be found on the Source (the council's intranet). Registration is coordinated by member services, but members should be aware that they are personally responsible under the act, and should take care to follow any guidance issued.

### *Confidentiality*

70. Sometimes information will be supplied in confidence and paragraph 4 of the Southwark Council's code of conduct for members makes it clear that such information should not be disclosed without the consent of a person authorised to give it, or unless he or she is required by law to do so.
71. Recent case law confirms that a member may benefit from the public interest defence in some specific circumstances. However, those circumstances are rare and any member considering leaking confidential information should take legal advice immediately where their actions may impact on them as individuals.
72. Members are also reminded that there is an agreed process for applying for the release of information contained in the Freedom of Information Act 2000. Further details of this are available on the council's website

### **Freedom of Information Act 2000**

73. Under the Freedom of Information Act (FOI), councillors like other members of the public have a general right, subject to any applicable exemption, of access to information. Requests under the Freedom of Information Act must be in writing and contain sufficient information to enable the document to be identified. There is a requirement under the act that for the information to be disclosed within 20 working days.
74. There is no requirement under the act for the member to specify whether or not the information is requested under the Freedom of Information Act. Officers should therefore in all cases ascertain from the member whether or not the information is sought under the Freedom of Information Act and if so to advise the member that the request will be dealt with within the statutory time limit of 20 working days.
75. Where the request is for access to documents that are unrelated to any council meeting or where the member requesting the information is not the ward member, officers must inform the member that the request is being treated as a freedom of information request and that a response will be provided within 20 working days.

[Councillors - Information held by Southwark members](#)



76. As stated in the Communication Protocol, members should remember that their emails may be subject to disclosure if a request is made under the Freedom of Information Act 2000.

Councillors may have on their Southwark email account political, constituency, or trade union emails, which would not be considered 'held' for the purposes of the Freedom of Information Act 2000. Where a public authority holds or stores information solely on behalf of another person or body that material will also not be 'held' by that authority for the purposes of the Act.

However under the Freedom of Information Act 2000 information could be considered to be 'held' by Southwark if it is retained for the purposes of the public authority's business, for example, emails sent to a cabinet member.

The Information Commissioner's Office and the courts have also concluded that the private email accounts could contain information held on behalf of a public authority under section 3(2)(b) of the Freedom of Information Act 2000. This would mean they would need to be disclosed. It is likely that the same principle would apply to information held in a text message or a WhatsApp, Twitter or Facebook account. In accordance with the FOI Code of Practice, Southwark would consult third parties about information held in scope of a request in order to help in consideration as to whether information is suitable for disclosure.

### **Operation of the overview & scrutiny committee and its commissions**

80. The overview & scrutiny committee and its commissions may require officers and members to attend and provide any information required to answer questions. It is the duty of any officer or member to attend and answer questions (other than those which he or she would be entitled to refuse to answer in a court of law) if the overview & scrutiny committee and its commissions so request. The council may consider that chief officers and other senior managers as described in the departmental schemes of management and not more junior staff are the appropriate officers to attend scrutiny meetings and answer questions.
81. Members of the overview & scrutiny committee or one of its commissions should explain the role and operation of the committee/commissions, particularly in relation to future policy development, before asking questions of witnesses. Members should adopt an inquisitorial (information seeking) approach to questioning rather than a confrontational one. They may be firm and assertive, but adopting a facilitative and exploratory way of working should generate an atmosphere in which members and officers can explore issues openly and honestly. Under no circumstance should members adopt a rude or aggressive style.
82. Officers should provide all relevant information in their possession, and they should use their best efforts to make sure that they possess all relevant information. They should never seek to conceal or 'improve' inconvenient facts, and more senior officers, or other members should never attempt to persuade them to do so.
83. Reports of scrutiny committees, while drafted by officers, are the reports of the committees themselves and there is nothing improper in members of those committees asking for draft reports to be amended.

## **Ceremonial events**

84. Civic ceremonial events will normally be led by the Mayor or the Deputy Mayor with the leaders of all political groups and other local members informed or invited as appropriate.

## **When things go wrong**

### **Procedure for officers**

85. It is always preferable to resolve matters informally, through an appropriate senior manager. Officers however do have recourse to the procedure for individual employee complaints (which can be found on the council's intranet), the protections laid down in the officer employment procedure rules (contained in part 4 of the constitution) or the council's monitoring officer. In appropriate cases they may wish to utilise the council's whistleblowing procedure (again contained on the Source). In the event of a complaint being upheld, the matter will be referred to the chief executive. A local solution may be found after discussion with the leader of the council and the leader and/or whip of the group concerned. The advice of the monitoring officer should be sought.

### **Procedure for councillors**

86. Where a councillor is dissatisfied with the conduct of an officer, and they have been unable to resolve the issue, they should refer the matter to the officer's relevant chief officer, who will nominate an appropriate manager to carry out any investigation required. The manager should then make a preliminary investigation and consider whether the council's disciplinary and capability procedure is appropriate, and then follow the appropriate procedure. The manager should then report back to the member concerned that the appropriate procedures have been followed.
87. Where the complaint relates to a chief officer or monitoring officer, the complaint may be referred to the chief executive for an informal review, conciliation and resolution where possible. If the matter is not resolved at this preliminary stage or in cases of serious complaints, the chief executive, taking appropriate advice will consider whether any formal process under the council's employment procedures and as set out in the officer employment procedure rules, as appropriate.
88. Where a complaint relates to the chief executive both the member concerned and the chief executive should consider whether a meeting may resolve the situation and whether that could be facilitated by the whip or leader of the relevant political group, if any, attending. The chief executive will provide the member with a written response to their complaint.
89. If the member remains dissatisfied with the response of the chief executive he or she will notify the monitoring officer and the head of human resources in writing and they will prepare a report for consideration by the leader of the council. The leader of the council, taking advice as appropriate, will have regard as to whether a formal process, as set out in the Local Authorities (Standing Orders)(England) 2001 is appropriate.

**Standards committee**

90. The function of the standards committee is set out in the council's constitution. It has a role in offering guidance on the content and working of this protocol, although it will not arbitrate, except in considering cases relating to potential breaches of the code of conduct for members.

## COMMUNICATION PROTOCOL

### Scope of the protocol

1. This protocol applies to all publicity issued or produced and paid for out of the council's resources.
2. The protocol also applies to any other material issued by organisations that are either wholly or partly separate from the council but which use council's grants or other funding from the council to produce the publicity.

### The legal framework

3. When publishing any material at any time, a local authority must comply with the provisions of the Local Government Act 1986 (the act) and the Code of Recommended Practice on Local Authority Publicity 2011 (the code) which was revised on 31 March 2011. Section 2 of the act states as follows:
  - (1) A local authority shall not publish (or assist others to publish) any material, which in whole or in part is designed to affect public support for a political party
  - (2) In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of the publication and the likely effect on those to whom it is directed and in particular the following matters:
    - a) whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the views of one political party and not of another
    - b) where the material is part of a campaign, the effect that the campaign appears to be designed to achieve.
4. Section 6 of the act defines publicity as "any communication in whatever form, addressed to the public at large or to a section of the public".
5. The key points to note from the above section and the code are that publicity by local authorities should:
  - (1) be lawful
  - (2) be cost-effective
    - Consideration needs to be given to achieving value for money and to what is the most appropriate publicity in each case.
    - The code requires that where central government publicity has been issued on a matter, local authorities should not incur expenditure on publicity on the same matter unless they consider additional value is added, i.e. by giving a local context to national issues.

- Local authorities should consider whether to take advice before embarking on a publicity campaign involving very large expenditure.
- (3) be objective
- Where publicity is used to comment on, or respond to the policies and proposals of central government, or other local councils, the comments or response should be balanced and factually accurate and should avoid anything likely to be perceived by readers as constituting a political statement.
  - Any publicity describing council policies and aims should be as objective as possible, concentrating on facts or explanations or both.
  - Local authorities should not use public funds to mount publicity campaigns whose primary purpose is to persuade the public to hold a particular view on a question of policy.
- (4) be even-handed
- Where local authority publicity addresses matters of political controversy it should seek to present the different positions in question in a fair manner.
  - Except where a period of heightened sensitivity exists (i.e. purdah), it is acceptable for local authorities to publicise the work done by individual members of the council, even if those views do not reflect the views of the local authority itself, although such publicity should make this fact clear.
  - It is acceptable for local authorities to host publicity prepared by third parties such as blogs and with links to external sites, although those may need to be disabled during a period of heightened sensitivity.
  - It is acceptable for publicity prepared by third parties and hosted by local authorities to include a logo associated with a political party or particular member of the authority such as the leader, but publicity material relating to a particular member must not seek to affect public support for that individual.
- (5) be appropriate
- Local authorities should not incur any expenditure in retaining the services of lobbyists in order to publish material designed to influence public officials, MPs or the government.
  - Publicity about local authorities and services should be freely available in accessible formats.
  - Local authority publicity should clearly identify itself as a product of the local authority.
- (6) have regard to equality and diversity
- Publicity may seek to influence attitudes on health, safety, crime prevention, equality, diversity and community issues.
- (7) be issued with care during periods of heightened sensitivity
- Particularly regard needs to be paid before elections and referendums, when the general rule is that no publicity should be issued which seeks to influence voters.
- (8) When deciding whether publicity may fall foul of the act and the code, the council should consider
- the content and style of the materials

- the timing and circumstances of the materials
- the likely effect on those to whom it is addressed
- whether it refers to a political party or politician
- whether it advocates a particular view that can be easily identified with a political party
- if it is part of a campaign, the effect that campaign is designed to achieve.

### **Publicity of individual councillors**

6. Publicity about councillors may include their contact details, their political affiliation, the position they hold with the council and their responsibilities.
7. Publicity may include information about individual councillor's proposals, decisions and recommendations where this is relevant to their position and responsibilities within the council. Publicity of individual councillors should avoid personalisation of issues or personal image making.

### **Ward member of the council**

8. Ward councillors will be invited to attend public meetings and events organised by the council to consider a local issue and will also be kept informed of consultative exercises on local issues. Some events will involve some members in formal roles, i.e. take part in photo opportunities, make presentations or officially address an audience and members will be advised of what those formal roles are and who is involved in those at the time of invitation.
9. Nothing in this protocol shall prevent the normal publication of the details of members' surgeries on-line, in hard copy or in advertisements.

### **Official visits by government and shadow ministers**

10. It is open to government and shadow ministers to visit the borough at any time. However should the minister require assistance or access to any of the council's services or facilities, the visit will need to be arranged through official channels of the council. This will ensure that appropriate support is provided on the day.
11. To this end all such requests from government and shadow ministers must be referred to the head of communications who will promptly notify the chief executive of the request.
12. The head of communications will liaise with their counterpart at the relevant government department to ascertain the purpose of the visit. The head of communications in consultation with the chief executive and monitoring officer will authorise the visit if satisfied that the visit would assist the council in promoting one or more of its policies and or objectives or would be purely for fact finding.
13. Events which involve government ministers or other political figures and shadow ministers should usually be led by the leader or cabinet member with the Mayor informed or invited to lead as appropriate. Ward councillors and

leaders of all the political parties should be invited where possible and appropriate.

### **Visits by local and other Members of Parliament (MPs)**

14. There may be instances where local and other MPs who are not ministers will have a special interest in attending an event that is taking place in the borough. In this instance the MP in question may either be formally invited or merely informed about the event. Where the MP has not been specifically invited to attend, he or she should not expect to be treated as an “official” invitee.

### **Promotional publicity**

15. Local authorities are authorised under the Local Government Act 1972 to publicise information as to the services provided by them or other local authorities in their area. Publicity can also be used to explain or justify the council’s policies either in general, such as in the annual report, or on specific topics, for example as a background to consultation. However, any such publicity should comply with the principles of the code.

### **Publicity of matters going before the cabinet, council assembly or any committee of the council**

16. All matters going before the cabinet or committees for decision are publicised five clear working days before the meeting or seven clear working days in the case of council assembly unless the report contains exempt information (i.e. information that has been judged by the proper officer as confidential). Some matters will obviously generate more press interest than others. Where the press is interested in a matter that is to be the subject of a decision by the council, the head of communications in conjunction with the relevant chief officer and cabinet member may issue a press release explaining the reasons behind the recommendations. Any such press release must be factual and objective. Members may be asked by the media to comment on this press release but should remember that whilst criticism of ideas and opinion is part of the democratic process, a member must comply with the code of conduct.
17. Where there has been misinformation about any of the council’s policies or objectives the head of communications is authorised to take any appropriate corrective measures.

### **Scrutiny**

18. Publicity about scrutiny will concentrate on factual information about which scrutiny exercises the council is conducting, who is involved, the process they will follow and the decisions they take. Where scrutiny suggests a course of action that differs to or challenges one agreed by the cabinet or any other council decision making body, this would be made clear in publicity together with the process for resolving the difference.

### **Contact with press**

19. As outlined in the code of conduct for employees, employees and other staff should not communicate with press and other media unless authorised by the appropriate manager to do so.

### **Press releases**

20. All press releases from the council must be agreed and signed off by the communications unit and issued either electronically or on council headed paper. Press releases containing quotes from members must be agreed and signed off by the appropriate member.

### **Social media**

21. It is acceptable for the council to host social media, such as a blog, which itself contains links to external sites where the content would not itself comply with the code. However care needs to be exercised in that such links do not:
  - contain content that may result in actions for libel, defamation or other claims for damages
  - be used to process personal data other than for the purpose stated at the time of capture
  - be used in an abusive, hateful or disrespectful manner.
22. However particular care must be taken during the period before elections and referendums to ensure that no breach of any legal restriction takes place. It may be necessary to suspend the hosting of material produced by third parties or public forums during such periods.
23. In addition, where members are present as voting members at any meeting where they are determining any application for any approval, consent, licence, permit or permission, they should not access the internet (except as it relates to the official business of the meeting), send or receive emails, text, messages or tweets concerning the business of that committee. Further advice is given by the monitoring officer's guidance 'A few top tips for members using social media' issued in September 2016. <http://thesource/tools-and-resources/communications/>

### **Publicity during periods of heightened sensitivity**

24. Candidates in an election or referendum should not be provided with any form of publicity during the period between the notice of an election and the election itself.
25. Any publicity should be objective, factual, not deal with controversial political issues and avoid personalisation of the issues or inappropriate personal image making.
26. The council should not produce publicity designed to influence the views of local people on petitions, referendums or specific proposals.

### **The role of the communications unit**

27. The communications unit works on behalf of the council and not for any political party. The purpose of its work is to provide high quality information about the council, its policies and its services and to maintain public confidence and where appropriate to protect and to promote the council's reputation. It aims to encourage better relationships with the local community. It is important to remember that all publicity and press releases are directed through the communications unit so these goals can be achieved.



28. The head of communications can advise members on how to deal with press enquiries, and how to arrange publicity for events, which can be properly publicised. Members have a remit to discover and make public inefficiency and poor public service; however, they should be careful where a matter they wish to make public relates to identifiable officers.
29. Publicity and information will cover areas such as why the council makes the decisions it does, and why other proposals are rejected. The communications unit will feature the decisions of the council, i.e. those decisions made by the council assembly, cabinet, scrutiny, planning or licensing committees, or those actions which have been taken within the broad policy framework already set by the council, subject to any call-in arrangements.

### **Obligations on officers in relation to documents being prepared for public consumption**

30. Council staff and resources must not be used to arrange proactive events, such as photocalls, if they would provide politicians with a platform to communicate with the public that would not otherwise be available to them.
31. When considering whether a communication or publicity is safe to be put out officers should ask themselves whether the communication or publicity is objective, balanced, informative and accurate. If the answer is an unequivocal yes then the communication or publicity is safe to be put out.
32. Where officers are uncertain as to whether a communication or publicity is appropriate they should seek advice from the communications unit and the monitoring officer in those cases.
33. If something cannot go out as a member has suggested then officers can explain why and offer an alternative form of words. Again the communications unit or the monitoring officer can offer you guidance on what would be appropriate.

### **The role of the Mayor**

34. The Mayor is the first citizen of the borough and as such is apolitical. He or she is responsible for promoting the council as a whole and representing the council in civic and ceremonial events.
35. The Mayor is also responsible for chairing meetings of the council assembly and interpreting the constitution as necessary. Where the Mayor is unable to act or the office is vacant, the Deputy Mayor will discharge all of the Mayor's duties except that the deputy may not chair meetings of the council assembly unless specifically appointed to do so.

### **Key spokespeople**

36. The role of the spokesperson is to present facts about council decisions, the context in which they were taken, actions, and issues faced by the council. Members who are key council spokespeople are the leader and deputy leader and cabinet members within their portfolio, the chair of overview and scrutiny committee, planning chair, licensing chair, chair of the audit, governance and

standards committee. They will be quoted or featured in publicity where it relates to their responsibilities on the council.

### **Correspondence**

37. Generally correspondence from one member should not be copied to, or discussed with, another member without the member's consent subject to any rights of access arising from the Freedom of Information Act 2000 and the Data Protection Act 1998. If a member has sought advice from an officer and included a circulation list, it can be assumed that the officer's response can be circulated to those people on the circulation list for the original letter, even if that list includes other members.
38. This does not prevent officers copying letters to each other about casework across ward or interest boundaries in order to respond to a member inquiry. Points of general interest to all members may be converted into general advice, and circulated (within the limitations set down in the Data Protection Act). A chief officer is also able to advise a relevant cabinet member in general terms of an issue raised with the chief officer in correspondence, or otherwise, by another member.
39. Official letters from the council should normally be sent out in the name of the appropriate officer rather than a member. It may be appropriate for members to write in certain circumstances (e.g. representations to a government minister); however, this would be the exception rather than the norm. Letters which create obligations or give instructions should not be sent out in the name of a member.

### **Postage**

40. Preparation and postage of correspondence are a significant part of the support given to members. The content and purpose of letters, leaflets, and other correspondence must relate to the member's role in the authority. The members' services manager will arrange for monitoring arrangements to be put in place, and refer doubtful cases to the monitoring officer.
41. The use of council resources in the preparation and postage of the following kinds of post are not permitted:
  - private mail including correspondence for other bodies
  - mailshots
  - letters sending out information (concerning planning application, refuse collection, etc) which is the responsibility of officers
  - letters which criticise other groups and their members or praise the writer or their political group
  - group publicity such as political party greetings cards.

For the avoidance of doubt, correspondence to residents about the location of surgeries by members who do not have a fixed location for their surgery shall not constitute a mailshot.

42. The question of what is a mailshot has proved problematic. Members are entitled to use council resources to respond to requests that their constituents have raised with them for action and explain what action has been taken, but

not generally to publicise their work in the ward. Requests to send out large numbers of letters will have to show what demand is being responded to, and that the letter is a proportionate response to that demand. In any event, member services do not have the resources to send out more than one batch of such letters a month for any member. Members are reminded that this is a finite resource, and member services may need to limit the use of this if excessive costs are incurred. Further advice is given by the monitoring officer's guidance 'Correspondence and Mailshots' issued 8 May 2019:

(<http://moderngov.southwark.gov.uk/documents/s82430/Correspondence%20and%20Mailshots%20MO%20Guidance%202019.pdf>).

43. Where members are uncertain as to whether a communication or publicity is appropriate they should seek advice from the head of communications and the monitoring officer in those cases.

## **Emails**

44. Email and internet access facilities are provided to members to support work on council related activities. The standards set out for officers in the use of emails apply equally to members. The key standards are that:
  - any behaviour or comment that is not permitted in the spoken or paper environment is also not permitted in an email message
  - email messages should be inoffensive and should not be construed to harass
  - emails must not incite racial hatred or be pornographic in nature either in the body of the text or as an attachment
  - chain emails should not be forwarded on.
45. As a general rule, emails cannot be used for party political purposes but:
  - emails organising the political group in relation to council business are allowed
  - the use of the email address in a party political leaflet to advertise a ward surgery or as a means of allowing residents to contact their ward members on non-party political matters is allowed
  - emails to newspapers as a means of commenting on council business from the political group's perspective are allowed.
46. Members should note the requirements for social media are given in paragraphs 21 and 22.
47. Members should remember that emails may be subject to disclosure if a request is made under the Freedom of Information Act 2000.
48. Any use of IT resources, including email and the internet, that contravenes any legislation (such as the Data Protection Act 1998; the Computer Misuse Act 1990; and the Copyrights, Designs and Patents Act 1988 (amended 2002)); or breaches the general obligations of the code of conduct for members; or breaches council policies on information security is considered to be unacceptable. Members are responsible for the content of any email sent from your username and in certain circumstances the council may also be found liable for the content of such email.

49. Emails and other personal information should be retained only for the minimum period necessary, in accordance with the Data Protection Act 1998. Further details on the Data Protection Act in term of members' business use can be obtained from legal services.
50. It is important that members manage the information that they store to ensure its availability, confidentiality and integrity. Therefore members should regularly review all council information (including files and email messages) they hold and delete all redundant or irrelevant data.
51. Where a telephone number has been issued to a member or group of members it is expected that this number will be publicised except on political publicity material.

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 20 November 2019	<b>Meeting Name:</b> Audit Governance and Standards Committee
<b>Report title:</b>		Whistleblowing complaints and outcomes and update to policy	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Law and Democracy	

## RECOMMENDATION

1. That the audit, governance and standards committee notes this report.

## BACKGROUND INFORMATION

2. This report provides details of the whistleblowing referrals received by the council between October 2018 and September 2019 and an update on the outcomes of referrals received in the previous three years.
3. This report has taken a generic definition of whistleblowing to include not only those referrals from staff and employees of contractors (and subject to the Public Interest Disclosure Act 1998 which provides protection for staff and others when making whistleblowing disclosures) but also from members of the public and councillors. Anonymous referrals are also included.
4. The council's current whistleblowing policy was approved in February 2018 and is published on the council's website and on The Source.
5. What constitutes a whistleblowing issue is defined in the policy:
  - That a crime has been committed, is being committed, or is likely to be committed.
  - That a person has failed, is failing, or is likely to fail to comply with any legal obligation to which he is subject.
  - That a miscarriage of justice has occurred, is occurring, or is likely to occur.
  - That the health and safety of an individual has been, is being, or is likely to be endangered.
  - That the environment has been, is being or likely to be damaged.
  - That information tending to show any of the above matters has been concealed or is likely to be deliberately concealed.
6. Most local authorities receive a small number of referrals and Southwark is no exception. Work in recent years to increase awareness of the policy amongst staff has not resulted in a marked increase in referrals.
7. This report has to strike a balance between the need for openness and transparency, and the requirement not to undermine the efficacy of the policy by deterring people from using it. It is important for the council to avoid the possible identification of the whistleblower and/or jeopardising any ongoing investigations.

## KEY ISSUES FOR CONSIDERATION

8. When cases are first received, they are assessed to see if they should be investigated as whistleblowing cases, or more properly dealt with under other procedures. These include
- Cases which should be dealt with under the council's fraud response plan
  - Cases which are more properly HR matters
  - Cases which are not the council's responsibility and should be referred to external bodies.
9. The number of referrals received in each period in the last year and then in the previous 4 years and the results of the initial assessment are shown in the table below:

Period from	Period to	Total Referrals in period	Fraud response plan	HR	External bodies	Whistle-blowing
01/10/2018	30/09/2019	5	0	1	0	4
01/10/2017	30/09/2018	5	1	1	0	3
01/10/2016	30/09/2017	6	2	2	0	2
01/10/2015	30/09/2016	11	1	4	2	4
01/10/2014	30/09/2015	11	5	1	0	5

10. Four cases have been received since October 2018 which have been initially identified as 'whistleblowing' cases.
11. The referrals for the case identified as whistleblowing cases were received from the following sources:

Period from	Period to	In year cases	Employee	Member	Public	Anonymous
01/10/2018	30/09/2019	4	2	0	1	1
01/10/2017	30/09/2018	3	1	0	2	0
01/10/2016	30/09/2017	2	2	0	0	0
01/10/2015	30/09/2016	4	2	0	1	1
01/10/2014	30/09/2015	5	2	0	1	2

12. These referrals were in respect of the following services:

Period from	Period to	Children & Adults	CEx	Env & Leisure	F&CS	Housing	Place & Wellbeing	Voluntary Sector
01/10/2018	30/09/2019	1		2	1			
01/10/2017	30/09/2018			1	1	1		
01/10/2016	30/09/2017			2				
01/10/2015	30/09/2016	3		1				
01/10/2014	30/09/2015	2	1	2				

13. The referrals related to the following themes:

Period from	Period to	Child Protection	Safeguarding	Contracts	H&S	Other	Employment
01/10/2018	30/09/2019			2		2	
01/10/2017	30/09/2018					1	2
01/10/2016	30/09/2017					1	1
01/10/2015	30/09/2016	1				3	
01/10/2014	30/09/2015	1	1		1	1	1

14. The outcomes of the investigations are shown in the table below (some of these were completed subsequent to the year within which they were commenced):

Period from	Period to	Whistle-blowing cases	Nothing wrong	Dept. for action	Recategorised as a non-whistleblowing matter	Outstanding at the end of the period
01/10/2018	30/09/2019	4	2	1		1
01/10/2017	30/09/2018	3	1	1	0	1
01/10/2016	30/09/2017	1	0	0	1	1
01/10/2015	30/09/2016	4	2	1	0	4
01/10/2014	30/09/2015	5	2	2	1	3

15. Further details of the referral made since October 2018 are as follows:

Number	Description of allegation	Outcome
WB2019-01	Poor performance of a council contractor engaged to undertake gas and electric works in council properties and possible fraud by contractors and staff.	On review the contractor and its organisation of gas servicing operatives was overall considered to be acceptable but there were some areas of concern with not all gas operatives performing as should be expected. Recommendations made to follow this up.
WB2019-02	Poor work practice amongst agency staff in community care, no care plans, missed appointments, underpayment of staff	Anonymous allegations. Not possible to identify details and investigate but reviewed position with relevant agency
WB2019-03	Unjustifiable payment of council tax benefit	No merit found in allegations
WB2019-04	Fair community housing- allegations of failure to comply with legal obligations.	Outstanding

16. The committee will see that there are a small number of whistleblowing complaints each year and very few have resulted in further action being taken.

### Policy implications

17. As stated in its whistleblowing policy, the council is committed to achieving the highest possible standards of service and ethical standards in public life. The policy enables council employees and others to raise concerns about services, contracts or other matters.
18. The policy also supports the council's Fairer Future principles of treating

residents as if they are a valued member of the family, being open, honest and accountable, and spending money as if it were from our own pocket.

### Policy changes

19. The committee should note that the policy has recently been revised to provide an additional appendix setting out the process where an agency worker or contractor wishes to raise a whistleblowing issue. Reference to modern slavery has also now been included.

### Community impact statement

20. This report is not considered to contain proposals that would have a significant impact on any particular community or group.

### Resource implications

21. There are no direct resource implications in this report.

### Consultation

22. There has been no consultation on this report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Whistleblowing policy <a href="https://www.southwark.gov.uk/council-and-democracy/whistleblowing">https://www.southwark.gov.uk/council-and-democracy/whistleblowing</a>	Legal Services, Southwark Council, 160 Tooley Street, London SE1 2QH	Norman Coombe 020 7525 7678 Allan Wells 020 7525 2130

## AUDIT TRAIL

<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Democracy		
<b>Report Author</b>	Norman Coombe, Head of Corporate Team, Legal Services Allan Wells, Governance Lawyer, Legal Services		
<b>Version</b>	Final		
<b>Dated</b>	30 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>	
Director of Law and Democracy	N/A	N/A	
Strategic Director of Finance and Governance	No	No	
<b>Cabinet Member</b>	<b>No</b>	<b>No</b>	
<b>Date final report sent to Constitutional Team</b>		30 January 2020	



<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Annual report on the work and performance of the audit, governance and standards committee in 2019-20	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATIONS

1. That the audit, governance and standards committee forward this report on its work and performance in 2019-20 to all councillors, subject to any amendments it wishes to make.

## BACKGROUND INFORMATION

2. The purpose of this report is to review this committee's work and performance in 2019-20.
3. The audit, governance and standards committee's terms of reference include a requirement to report annually to all councillors on its work and performance during the year.
4. The aims of the report are to make councillors aware of the audit, governance and standards committee's work in relation to its audit, financial reporting, treasury management, governance and standards responsibilities, and to provide assurance on areas covered or to identify any concerns.
5. This report also considers the effectiveness of the audit, governance and standards committee which forms a part of the review of internal audit, and which will in turn be reported as part of the review of the system of internal control, as required under the Accounts and Audit Regulations 2015.

## KEY ISSUES FOR CONSIDERATION

### Role of the committee

6. The purpose of the audit, governance and standards committee is to provide:
  - Independent assurance of the adequacy of the council's governance arrangements, including its standards regime, the risk management framework and the associated control environment.
  - Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
  - Oversight of the financial reporting process.
  - Scrutiny of the treasury management strategy and policies.
  - Operation of a framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.

7. In line with the above, the committee's terms of reference are structured by reference to its key functions in terms of governance and standards, audit activity (internal and external), the accounts and treasury management. Since the new standards regime for councillors was introduced in 2012, the frequency and business for the standards committee had reduced, and there was no statutory requirement to have a standards committee. In May 2016 the standards committee was not re-established as a stand-alone committee, and its roles and functions were amalgamated with the audit and governance committee.
8. The audit, governance and standards committee agrees a work programme each year. A summary of the committee's business during 2019-20 in relation to its areas of responsibility is set out below.

### **Audit activity**

#### **Internal audit**

9. The committee received and considered regular reports on the performance of internal audit and the outcome from its work during the year, as well as the head of anti-fraud and internal audit's annual report on the work of internal audit and anti-fraud 2018-19. Members had questions for both officers and the engagement manager for the auditors, BDO.
10. This meeting's agenda includes a report on the internal audit plan for 2020-21, and a progress report on the work of internal audit and anti-fraud.

#### **External audit**

11. The committee received regular progress reports from the external auditor (Grant Thornton) throughout the year; there is an update report on this meeting's agenda. It also considered Grant Thornton's audit plans for 2018-19 for both the council and the Southwark pension fund, and the audit findings reports and annual audit letter for 2018-19. Their summary of findings from the certification of claims and returns for 2018-19 is on this meeting's agenda.
12. The committee considered the external auditor's annual fees for 2019-20 for both the council and the Southwark pension fund in July 2019. Grant Thornton also reported to the committee on their review of the council's arrangements for securing financial resilience and on assurance work undertaken by them as to management processes and the committee's oversight of the risk of fraud, compliance with laws and regulation, and matters in relation to going concern, to inform their audit risk assessment. Their 2019-20 review is on this meeting's agenda, as are the audit plans for the council and the pension fund.

### **Accounts**

13. The committee considered a draft of the 2018-19 statement of accounts at its June 2019 meeting and formally approved them in its July 2019 meeting.

### **Governance and standards activity**

14. As with the statement of accounts, the committee reviewed the annual governance statement for 2018-19 at its June 2019 meeting and approved it at the meeting in July 2019.

15. The committee updated its approach to the consideration of governance matters for 2019-20. Rather than identifying a number of areas for consideration at future meetings, it invited strategic directors to present on their department's governance arrangements. It was expected that this would take two years to hear from each department.
16. The strategic director for place and wellbeing, Professor Kevin Fenton, was invited to the committee meeting of July 2019. The strategic director of housing and modernisation, Michael Scorer, was invited to the committee meeting of September 2019. The strategic director of children's and adults' services, David Quirke-Thornton, was invited to the committee meeting of February 2020.
17. The work on corporate risk and insurance for 2019-20 has been supported by the council's internal auditors and integrated into their regular update reports.
18. The committee's annual report on whistle blowing outcomes is to be considered by the committee at its February 2020 meeting.
19. The committee's work programme for 2020-21 is to be considered by the committee at its February 2020 meeting.
20. A report on the council's use of RIPA (Regulatory Investigatory Powers Act) and the OSC (Office of Surveillance Commissioners) inspection of Southwark is to be considered by the committee at its February 2020 meeting.
21. The establishment of the two standards sub-committees (civic awards and misconduct) were approved by the committee in July 2019. The committee continued its agreement from July 2018 that the number of co-opted community members on the civic awards sub-committee stand at four, and that the sub-committee be gender balanced; at least two of the Southwark members and two of the community representatives serving on the sub-committee should be women.
22. The appointment of the co-opted members of the civic awards sub-committee is listed for decision at this meeting.

### **Treasury management**

23. Members received a report on the revised treasury management policy statement, and considered the council's 2020-21 treasury management strategy statement by email in January 2020, as the general election caused the cancellation of the November 2019 committee meeting. All relevant feedback was sent directly to officers.

### **Effectiveness of the audit and governance committee**

24. The Accounts and Audit Regulations require a review of internal audit to be carried out, including consideration of the effectiveness of this committee. An annual opinion is given by the head of anti-fraud and internal audit, and this will be carried out later in the year and the results brought to a future meeting of the committee.
25. To complement this, it is proposed that (as in previous years) this committee assesses itself using a checklist produced by CIPFA. A copy of this was circulated separately to members for their responses, and a draft checklist will be reported to the next meeting of the committee.

## **Training**

26. During the year, information on relevant issues and developments have been provided through CIPFA Better Governance Forum's 'Audit Committee Update', which is published three times a year. These focus on key topics and include a round-up of legislation, reports and developments and are circulated to all members of the committee for their information.
27. Members of the committee were invited to attend the CIPFA training course "Introduction to the Knowledge and Skills of the Audit Committee". A small number of places are made available to the council annually, and further opportunities will be circulated as they occur.
28. Training will be provided as required and officers will continue to arrange training as opportunities arise.

## **Development opportunities**

29. The year saw the following principal achievements:
  - a) Coverage of all elements of the committee's work programme, including the successful inclusion of standards work into the responsibilities of the committee
  - b) Continued assurance of corporate governance arrangements, through discussions with strategic directors.
  - c) Further assurance as to the operation of the council's whistle blowing policy
  - d) Ongoing constructive challenge from members in respect of reports received by them.
30. For the coming year, the following are areas where the committee has the opportunity to effect further development or to which it may wish to give consideration:
  - a) The continuing impact of welfare reform and further cuts in government funding from a governance perspective and, in particular, the identification of risks and ongoing risk management
  - b) Future and ongoing training needs.

## **Conclusion**

31. The committee's work programme aims to ensure that the committee is able to carry out its functions effectively. To this end, the programme is structured to cover the key areas of audit activity (both internal and external), governance and standards activity, financial reporting and scrutiny of the treasury management strategy and policies.
32. The committee continued to ask questions on matters before it in a challenging yet constructive way. In some cases, this has resulted in further information being provided to the committee to provide the assurance sought; in others, it has resulted in increased focus on the implementation of action plans.
33. The committee has kept its work programme under review in 2019-20 and made changes when appropriate.
34. Through its work, the committee is able to confirm that:

- The council's system of risk management is adequate to identify risk and to allow the authority to understand the appropriate management of those risks;
- There are no areas of significant duplication or omission in the systems of governance in the authority that have come to the committee's attention and not been adequately resolved.

35. The work programme for the committee for 2020-21 is included elsewhere on this agenda for consideration and agreement, and this will be reviewed and amended on an ongoing basis as necessary to help to ensure that the committee can continue to provide assurance of the adequacy of the council's governance arrangements.

### **Policy implications**

36. There are no policy implications in the proposals in this report.

### **Community impact statement**

37. This report is not considered to contain any proposals that would have a significant impact on any particular community or group.

### **Resource implications**

38. There are no direct resource implications in this report.

### **Conclusion**

39. There has been no consultation on this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance**

40. The strategic director of finance and governance remains committed to the important role of the audit, governance and standards committee and notes that it continues to function in line with its terms of reference. The performance of the committee continues to be strengthened by the attendance of officers with key governance roles and it is expected that the committee will continue to obtain assurance of governance arrangements from this.
41. The committee has operated in accordance with its responsibilities in key finance and audit matters, including the statement of accounts, treasury policies, and internal audit work, which are key issues for the s.151 officer (Local Government Act 1972).

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
CIPFA Audit committees – Practical Guidance for Local Authorities and Police 2018 edition	Finance and Governance, Second Floor, Tooley Street	Jo Anson 020 7525 4308

**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance		
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer		
<b>Version</b>	Final		
<b>Dated</b>	30 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	Yes	Yes	
<b>Cabinet Member</b>	No	No	
<b>Date final report sent to Constitutional Team</b>		30 January 2020	

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, governance and standards committee
<b>Report title:</b>		Draft work programme for 2020-21	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## RECOMMENDATIONS

1. That the audit, governance and standards committee consider the proposed draft work programme for 2020-21 and whether they would wish to make amendments to arrangements as set out in paragraphs 8 and 9, and paragraph 14 and 15, of this report, or in respect of any other matters.
2. That the audit, governance and standards committee, subject to any requested changes, agree the work programme for 2020-21 set out in Appendix 2.

## BACKGROUND INFORMATION

3. Since its establishment in March 2007, the committee has agreed a work programme for the forthcoming year. Amendments to the programme to take account of changing circumstances can be made throughout the year.
4. The purpose of this report is to set out possible areas of work for consideration to enable members to agree a programme for 2020-21.

## KEY ISSUES FOR CONSIDERATION

5. In considering items for inclusion, it may be helpful to do this within the framework of the committee's purpose, as set out in the constitution. This is set out in the constitution to be:
  - Independent assurance of the adequacy of the council's governance arrangements, including the risk management framework and the associated control environment
  - Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment
  - Oversight of the financial reporting process
  - Scrutiny of the treasury management strategy and policies
  - A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.
6. The committee's terms of reference, as approved by council assembly, cover functions relating to audit activity, the regulatory framework, accounts, treasury

management and the council's standards framework. They are attached at Appendix 1 as they may further help the committee to determine items to be included in its work programme.

7. Using the 2019-20 revised work programme as a starting point, a draft programme for 2020-21 has been included at Appendix 2 for the committee's consideration. Items shown in brackets are standing items which will be brought forward as they arise. The draft programme is based on meetings of the committee being held in June 2019, July 2019, September 2019, November 2019, February 2020 and June 2020.

### **Areas of governance for review**

8. During 2020-21, the committee invited chief officers to attend and discuss departmental governance. The programme was suggested on the understanding that this would be likely to take two years to see all the chief officers
9. Members are asked to consider whether they would wish to continue this approach. If they do not wish to continue this approach, they are asked to identify an alternative approach to the review of governance.
10. There remains a need to ensure flexibility in terms of emerging issues which come to light through items already on the committee's agenda. For example, a review of audit recommendations and progress on their implementation may highlight a need to request the attendance of individuals at a future meeting to help explain action taken. The draft programme therefore includes a standing item relating to review of the committee's work plan. There may also be a need to review the work programme to take account of any changes which may be agreed to the council's constitution during the year.
11. Items have been grouped in line with its functions, in order to ensure that there is appropriate coverage of the committee's key roles as defined in its terms of reference.
12. Training will continue to be provided for members on the role of the committee, and development needs will continue to be monitored to enable appropriate training to be provided as opportunities arise.
13. The committee is asked to consider whether the attached draft work programme reflects its priorities for the next year or whether there are other amendments which it would wish to see included.

### **Annual work programme**

14. As this work programme is considered in February at the last meeting of the year, this means that any changes to the membership of the committee in May will not allow any new members to help set the committee's schedule.
15. Members are asked if the draft work programme for the year should be brought to the committee at either:
  - both the last meeting of the year and the first meeting of the next year, or
  - solely to the first meeting of a new council year after annual council assembly.



**Policy implications**

16. This report is not considered to have direct policy implications.

**Community impact statement**

17. The decision to agree a work programme for next year is considered not to have a significant impact on any particular community or group.

**Resource implications**

18. There are no direct resource implications in this report.

**Consultation**

19. There has been no consultation on this report.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

20. None required.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None.		

**APPENDICES**

No.	Title
Appendix 1	Extract from the constitution – Part 3K Audit and governance
Appendix 2	Draft work programme for 2020-21

**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance		
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer		
<b>Version</b>	Final		
<b>Dated</b>	30 January 2020		
<b>Key Decision?</b>	No		
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
<b>Officer Title</b>		<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Democracy		No	No
Strategic Director of Finance and Governance		No	No
<b>Cabinet Member</b>		No	No
<b>Date final report sent to Constitutional Team</b>			30 January 2020

## APPENDIX 1

### Extract from the constitution – Part 3K Audit and governance committee

#### ROLE AND FUNCTIONS

##### Introduction

The purpose of the audit, governance and standards committee is to provide:

1. Independent assurance of the adequacy of the council's governance arrangements, including its standards regime, the risk management framework and the associated control environment.
2. Independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
3. Oversight of the financial reporting process.
4. Scrutiny of the treasury management strategy and policies.
5. A framework to promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives.

##### Audit activity

6. To approve the internal audit charter
7. To approve the risk based internal audit plan, including resource requirements.
8. To approve any significant proposed advisory services, additional to those included in the audit plan.
9. To receive information on the appointment, departure, resignation or change in chief audit executive.
10. To receive in-year summaries of internal audit and anti-fraud activity and the internal audit annual report and opinion and to consider the level of assurance it can give over the council's corporate governance arrangements.
11. To receive reports dealing with the management and performance of the provider of internal audit services, including the performance of the chief audit executive.
12. To receive reports from internal audit on agreed recommendations not implemented within a reasonable timescale.
13. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
14. To consider specific reports as agreed with the external auditor.
15. To comment on the scope and depth of external audit work and to ensure it gives value for money.

- 16. To have oversight over the appointment of the external auditor.
- 17. To commission work from internal and external audit.

### **Accounts**

- 18. To review and approve the annual statement of accounts and specifically to consider compliance with appropriate accounting policies and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 19. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Treasury management**

- 20. To review and scrutinise the treasury management strategy and policies.

### **Governance activity**

- 21. To review any issue referred to it by the chief executive or a strategic director, or any council body.
- 22. To monitor the effective development and operation of risk management in the council.
- 23. To monitor the effective development and operation of corporate governance in the council and to agree actions necessary to ensure compliance with best practice.
- 24. To monitor council policies on 'whistle-blowing', the 'corporate anti-fraud strategy' and the council's complaints processes.
- 25. To receive reports from the statutory officers under the council's whistle blowing policy.
- 26. To provide strategic oversight on the use of the powers regulated by the Regulation of Investigatory Powers Act 2000 and to receive in-year reports on operational use.
- 27. To oversee the production of and agree the council's annual governance statement.
- 28. To review the council's compliance with its own and other published standards and controls.
- 29. To receive reports on retrospective contract related decisions as set out in contract standing orders.
- 30. To receive reports from the monitoring officer on any serious breach of the contract standing orders or procurement guidelines.

### **Standards activity**

31. To advise the council on the adoption or revision of the members' code of conduct, the member and officer protocol and the communication protocol.
32. To monitor the operation of the members' code of conduct, the member and officer protocol and the communication protocol.
33. To monitor and advise on training provided for councillors, co-opted members and church and parent governor representatives.
34. To deal with any standards related complaints referred to it and any report from the monitoring officer on any matter which is referred to him or her.
35. To receive reports from the monitoring officer on unlawful expenditure and probity issues.
36. To consider the withholding of allowances from individual members (including elected members and co-opted members) in whole or in part for non-attendance at meetings, or, for elected members only, for failure to attend required training.
37. To establish the following sub-committees:
  - to consider complaints of misconduct against elected councillors and co-opted members
  - to consider civic awards.

### **Annual report**

38. To report annually to all councillors on its work and performance during the year.

### **MATTERS RESERVED FOR DECISION**

#### **Matters reserved for decision by the main committee**

39. The matters reserved for decision to the committee are as set out in the role and functions, other than those functions delegated to the relevant sub-committee.

#### **Matters reserved for decision by the conduct sub-committee**

40. To consider complaints of misconduct against elected councillors and co-opted members.

#### **Matters reserved for decision by the civic awards sub-committee**

41. To grant civic awards.
42. To consider the process by which the decisions with respect to civic awards applications are to be taken and to make recommendations to the standards committee.
43. To appoint non-voting co-opted members of the civic awards sub-committee.

## APPENDIX 2

### Draft Work Programme for 2020-21

Items shown in brackets (✓) are standing items which will be brought forward as they arise

Item		Meeting date						Commentary
		June 2020	July 2020	September 2020	November 2020	Feb 2021	June 2021	
	General							
Annual work programme for following year		✓?				✓?	✓?	Draft work programme for the committee – Constitutional Officer
In-year review of work programme		(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to pick up emerging issues
Annual report of audit, governance and standards committee						✓		Report on committee’s work and performance to be submitted to all councillors each year – Constitutional Officer
	Internal Audit activity							
Internal audit plan and strategy for internal audit						✓		Proposed internal audit programme for future years – Strategic Director of Finance and Governance
Annual report and opinion on internal audit			✓					Including review of effectiveness of system of internal audit and Strategic Director of Finance and Governance’s opinion on system of internal control and report on internal audit contractor and Strategic Director of Finance and Governance (chief audit executive) performance – Strategic Director of Finance and Governance
Annual report on anti-fraud			✓					Annual progress report on the anti fraud services and special investigations team - Fraud manager

Item	Meeting date						Commentary
	June 2020	July 2020	September 2020	November 2020	Feb 2021	June 2021	
Progress report on the work of internal audit and anti-fraud	✓		✓	✓	✓	✓	Issues raised and progress on implementation of recommendations, including approval of any significant additional advisory services – Strategic Director of Finance and Governance
<b>External Audit activity</b>							
Audit fee letters (including pension fund)	✓						Annual fee letters setting out indicative fees and planned work/outputs for the relevant year for the council and pension fund – Grant Thornton
Audit plans (including pension fund)	✓					✓	Audit plans setting out audit work to be undertaken for audit of financial statements for the council and pension fund, including approval of any significant additional advisory services – Grant Thornton
Annual Audit letter (Grant Thornton)			✓				Annual audit letter (AAL) providing a summary of Grant Thornton's assessment of the council for the year, drawing from audit of financial statements and work undertaken to assess VfM – Grant Thornton
Audit findings reports (ISA 260) – including pension fund)			✓				Annual governance report (AGR) summarising findings from audit of financial statements and work to assess VfM arrangements – Grant Thornton
Informing the audit risk assessment for the council (including pension fund)	✓					✓	Item on oversight of management's processes in relation to risks of fraud/error, compliance with relevant laws and regulations and gong concern – Grant Thornton

Item	Meeting date						Commentary
	June 2020	July 2020	September 2020	November 2020	Feb 2021	June 2021	
Audit update report	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – update on work being planned or undertaken – Grant Thornton
<b>Governance and standards activity</b>							
Annual governance statement	✓	✓					A mandatory statement setting out the council's governance arrangements – Departmental Finance Manager (Corporate and Central Services)
Retrospective approvals to contract decisions	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – contract standing orders require retrospective contract decisions over £100k for the purpose of obtaining guidance to inform future decision making – Strategic Director of Finance and Governance
Risk management and insurance					✓		Report on key risks in February – Head of Financial and Information Governance
Progress report on implementation of external audit recommendations	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – progress made in implementing external audit recommendations (including audit findings) – Strategic Director of Finance and Governance
Outcomes of the whistleblowing policy				✓			Annual report to consider outcomes of the whistleblowing policy – Director of Law and Democracy
Review of complaints made under Code of Conduct					✓		Annual report on complaints made under Code of Conduct – Head of Corporate Team
Report on operational use of Regulation of Investigatory Powers Act 2000					✓		Annual report on use of powers under RIPA – Head of Corporate Team
Review of member and officer protocol and communications protocol				✓			Annual review of protocols, with recommendations for changes as needed – Head of Corporate Team

Item	Meeting date						Commentary
	June 2020	July 2020	September 2020	November 2020	Feb 2021	June 2021	
Establishment of sub-committees		✓					Report to establish sub-committees in line with committee's role and functions – Principal Constitutional Officer
Appointment of non-voting members of the civic awards sub-committee					✓		Report to appoint the non-voting co-opted members of the civic awards sub-committee for 2019-20 – Principal Constitutional Officer
Member induction and training				✓			Report on member induction and training
Areas of governance for review during year		(✓)	(✓)	(✓)	(✓)		To invite chief officers to attend meetings to discuss governance arrangements
Corporate governance framework	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to include e.g. council policies within remit of audit, governance and standards committee; other areas as identified: pensions governance; code of governance
Budget challenge and governance	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – to monitor budget challenges as required, including processes and governance, throughout the year
<b>Accounts</b>							
Statement of accounts	✓	✓					Annual statement of accounts for consideration and approval – Strategic Director of Finance and Governance
<b>Treasury Management</b>							
Review of the policy and strategy				✓			Review of treasury management policy and strategy – Strategic Director of Finance and Governance



<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 10 February 2020	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Appointment of non-voting co-opted members of the civic awards sub-committee for 2019-20	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Housing and Modernisation	

## RECOMMENDATIONS

1. That the committee considers the nominations for the positions of co-opted members of the audit, governance and standards (civic awards) sub-committee outlined in closed Appendix 1 and agree the nominations.

## BACKGROUND INFORMATION

2. The Southwark civic awards scheme was initiated in 1997 for the purposes of recognising exceptional contributions to community life by individuals and organisations in the borough. Up until 2015, the scheme was administered on behalf of the council by the Southwark Civic Association which made recommendations to standards committee for the granting of civic awards.
3. Council assembly on 8 July 2015 resolved that from the 2015/2016 civic year, the administration of the civic awards be carried out by the council pending a longer term review of the operation of the awards scheme. Officers were requested to put in place the necessary arrangements for the running of the awards within existing council resources. Council assembly in 2016 also resolved that the decisions on the granting of civic awards be delegated to a sub-committee of the audit, governance and standards committee.
4. The audit, governance and standards committee agreed at its meeting of 14 July 2016 that the membership of the audit, governance and standards (civic awards) sub-committee (henceforth "civic awards sub-committee") must include four co-opted members, two of whom must be women.
5. It is necessary for the audit, governance and standards committee to appoint these co-opted members formally; and the names of the volunteers will be presented in the closed report.

## KEY ISSUES FOR CONSIDERATION

6. The granting of awards is a constitutional function of the audit, governance and standards (civic awards) sub-committee and members have the final discretion whether or not to grant an award. Members also have a particular responsibility to safeguard the non-political nature of the awards scheme.
7. Members need to be satisfied that the co-opted membership nominations meet the appropriate criteria.

## Resource implications

8. There are none.

## Community impact statement

9. The council is committed to promoting civic engagement and good relations in our communities. The awards attract media interest and recognise the voluntary work of a number of people and organisations within Southwark, thus strengthening community cohesion.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Constitution	Constitutional Team 2nd floor, 160 Tooley Street London, SE1 2QH <a href="http://moderngov.southwark.gov.uk/ie/ListMeetings.aspx?Committeed=425">http://moderngov.southwark.gov.uk/ie/ListMeetings.aspx?Committeed=425</a>	Virginia Wynn-Jones 020 7525 7055

## APPENDICES

Appendix	Title
1	Nominees

## AUDIT TRAIL

Lead Officer	Stephen Douglass, Director of Communities		
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer		
Version	Final		
Dated	13 January 2020		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Democracy		No	No
Strategic Director of Finance and Governance		No	No
Cabinet Member		No	No
Date final report sent to Constitutional Team			13 January 2020

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**COMMITTEE: AUDIT, GOVERNANCE AND STANDARDS COMMITTEE (OPEN AGENDA)**

**NOTE:** Original held in Constitutional Team; all amendments/queries to Virginia Wynn-Jones, Constitutional Team on 020 7525 7055 or [virginia.wynn-jones@southwark.gov.uk](mailto:virginia.wynn-jones@southwark.gov.uk)

**COPIES****COUNCILLORS**

Councillor James McAsh (Chair)	1
Councillor Humaira Ali	By email
Councillor Dora Dixon-Fyle	By email
Councillor Nick Dolezal	1
Councillor Tom Flynn	By email
Councillor Andy Simmons	1
Councillor Dan Whitehead	By email

**RESERVES**

Councillor Sarah King	By email
Councillor Lorraine Lauder	By email
Councillor Hamish McCallum	By email
Councillor Jason Ochere	By email
Councillor Bill Williams	By email

**OTHER COUNCILLORS**

Councillor Victoria Mills	By email
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**LAW AND DEMOCRACY**

Norman Coombe	1
Doreen Forrester-Brown	1

**COMMUNICATIONS**

Louise Neilan	By email
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**CONSTITUTIONAL TEAM**

Virginia Wynn-Jones	5
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**INDEPENDENT PERSONS**

Mr Musa Chungue	By email
Ms Amrit Mangra	By email
Mr Charles Wynn-Evans	By email

**FINANCE AND GOVERNANCE**

Duncan Whitfield	1
Jo Anson	1
Rob Woollatt	1

<b>BDO</b> (Internal Auditors) – Greg Rubins	By email
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**GRANT THORNTON**

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Grant Thornton	
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Matthew Dean	1
Grant Thornton	
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<b>Total Print Run:</b>	<b>15</b>
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List Updated: July 2019