

Audit, Governance and Standards Committee

Monday 6 February 2023

6.30 pm

Ground Floor Meeting Room G01A - 160 Tooley Street, London SE1 2QH

Membership

Councillor Barrie Hargrove (Chair)
Councillor Graham Neale (Vice-Chair)
Councillor Gavin Edwards
Councillor Sarah King
Councillor Andy Simmons
Councillor Michael Situ
Councillor Emily Tester

Reserves

Councillor John Batteson
Councillor Laura Johnson
Councillor Victoria Mills
Councillor Cleo Soanes
Councillor David Watson

INFORMATION FOR MEMBERS OF THE PUBLIC

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Contact: Virginia Wynn-Jones via email: virginia.wynn-jones@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Althea Loderick

Chief Executive

Date: 27 January 2023



Audit, Governance and Standards Committee

Monday 6 February 2023

6.30 pm

Ground Floor Meeting Room G01A - 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	1 - 5

Item No.	Title	Page No.
	To approve as a correct record the minutes of the open section of the meeting held on 22 November 2022	
6.	GOVERNANCE CONVERSATION: ALTHEA LODERICK	
	The Chief Executive of Southwark Council to give a verbal update.	
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16.	NOMINATIONS OF NON-VOTING CO-OPTED MEMBERS OF THE CIVIC AWARDS SUB-COMMITTEE FOR 2022-23	173 - 175

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

EXCLUSION OF PRESS AND PUBLIC

Item No.

Title

Page No.

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

17. NOMINATIONS OF NON-VOTING CO-OPTED MEMBERS OF THE CIVIC AWARDS SUB-COMMITTEE FOR 2022-23

Date: 27 January 2023



Audit, Governance and Standards Committee

MINUTES of the OPEN section of the Audit, Governance and Standards Committee held on Tuesday 22 November 2022 at 6.30 pm at Ground Floor Meeting Room G01A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Barrie Hargrove (Chair)
 Councillor Graham Neale
 Councillor Gavin Edwards
 Councillor Andy Simmons
 Councillor Michael Situ
 Councillor Emily Tester

OFFICER SUPPORT: Michael Scorer, Strategic Director of Housing and Modernisation
 Duncan Whitfield Strategic Director of Finance and Governance
 Doreen Forrester-Brown, Director of Law and Governance
 Tim Jones, Finance Manager
 Ian Ogden, Local Land Charges Manager
 Mobeen Zafar, Head of Security and Infrastructure
 Angela Mason-Bell, BDO
 Ciaran McLaughlin, Grant Thornton LLP

1. APOLOGIES FOR ABSENCE

As the chair was not in attendance at the start of the meeting, Councillor Graham Neale as the vice chair opened the meeting.

Apologies for absence were received from Internal Audit, Greg Rubins and Nick Baker from BDO.

Apologies for lateness were received from the Chair, Councillor Barrie Hargrove

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

The Chair agreed to accept item 11, Treasury management strategy, as late and urgent.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES

The minutes of the meeting held on 17 October 2022 were agreed as a correct record.

6. GOVERNANCE CONVERSATION: MICHAEL SCORER

Michael Scorer, strategic director of housing and modernisation, presented the governance structures of the department. Members had questions for the officer.

The strategic director clarified that as part of the audit plan process the report is reviewed by the senior management team at their meeting. This is subsequently followed by a progress report on the delivery of the recommendations in the plan.

Members thanked the strategic director for his attendance

7. INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT: NOVEMBER 2022

Angela Mason-Bell, BDO, introduced the report. Members had questions of the auditors.

Councillor Gavin Edwards requested that officers could consider whether to involve members of either the audit, governance and standards committee or the overview and scrutiny committee in the development of the Fairer Future Procurement Framework and Procurement Guidelines. Officers undertook to bring a draft of the review to the committee for their consideration.

The committee agreed to invite officers to attend the meeting to give an update on any audits where the 'management implementation dates' have consistently slipped and responses are still awaited. The committee agreed to look at the most high-risk audit or the three oldest outstanding audits still awaiting responses, subject to officers' recommendations.

RESOLVED:

That the audit, governance and standards committee noted the report, as attached at Appendix A of the report.

8. SELECTION CRITERIA FOR INDEPENDENT MEMBERS OF THE AUDIT, GOVERNANCE AND STANDARDS (CIVIC AWARDS) SUB-COMMITTEE

Doreen Forrester-Brown, director of law and governance, and monitoring officer presented to the Committee.

Members requested that officers review whether the criteria as set out are inclusive of the protected characteristics. Due to the sub-committee comprising of only four independent members, fulfilling the criteria may prove challenging.

Councillor Hargrove proposed the following amendment to the criteria set out in paragraph 8;

Invitees should:

- Have a good understanding of the borough and its diverse communities
- Ideally be familiar with the borough's Voluntary and Community Sector (VCS)
- Be able to understand and evaluate nominations for Civic Awards
- Not be a nominee or represent an organisation that is nominated.

The Chair advised the committee if they have any suggested nominations to send those through to Martin Kovats, community projects manager.

RESOLVED:

1. That the committee agreed the amended criteria set out above for inviting individuals to join the audit, governance and standards (civic awards) sub-committee ('the civic awards sub-committee') for evaluating nominations for the 2023 Civic Awards.
2. That the committee consider any recommendations they would have for individuals or groups to be invited to join the civic awards sub-committee.

9. PUBLIC INTEREST REPORTS UPDATE

Ciaran McLaughlin, Grant Thornton LLP, presented to the committee.

Officers undertook to look into offering an online briefing to all councillors ahead of the budget-setting meeting of council assembly in February 2023.

RESOLVED:

1. That the audit, governance and standards committee noted Grant Thornton's report 'Lessons from recent Public Interest Reports and other interventions' 2022 (Appendix 1)
2. That the audit, governance and standards committee agreed to circulate the report to all councillors

10. GRANT THORNTON AUDIT UPDATE REPORT

Ciaran McLaughlin of Grant Thornton LLP updated the committee.

The committee were reminded that the 2020/21 audit had not yet been signed off due to the national infrastructure assets issue. It is understood that the statutory override is due to be laid before parliament on 30 November 2022 and will come into effect on 25 December 2022. Following this, the 2020/21 audit will be signed off in January 2023.

The full details of the findings of the 2021/22 audit will be presented at the next meeting of the committee.

11. TREASURY MANAGEMENT STRATEGY

Tim Jones introduced the report. Members had questions of the officer.

RESOLVED:

1. That the Audit, Governance and Standards committee note:
 - a. The draft Treasury Management Strategy and Capital Strategy for 2023-24,
 - b. The significant movements in the macro-economic environment and financial markets worldwide in 2022-23 and that this will require a reset of the Council's Treasury Management Strategy,
 - c. That the council continues to invest in an ambitious long-term capital programme that provides significant ongoing benefits throughout the Borough and, in some cases, revenue streams to support council services.

12. WHISTLEBLOWING COMPLAINTS AND OUTCOMES

Doreen Forrester-Brown, director of law and governance, and monitoring officer, presented to the committee. Members had questions for the officer.

Officers undertook to enquire as to whether the message on the whistleblowing policy and process can be included in the Chief Executive's weekly message to all staff.

RESOLVED:

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

13. MEMBERS' CODE OF CONDUCT COMPLAINTS PROCEDURE

Doreen Forrester-Brown, director of law and governance, and monitoring officer, presented to the committee. Members had questions for the officer.

RESOLVED:

That the audit, governance and standards committee agrees the proposed updates to the Members' Code of Conduct Complaints Procedure as indicated in Appendix 1.

Meeting ended at 8.34 pm

CHAIR:

DATED:

Item No. 7.	Classification: Open	Date: 6 February, 2023	Decision Maker: Audit, Governance & Standards Committee
Report title:		Leisure Insourcing – progress update	
Ward(s) or groups affected:		All wards	
From:		Toni Ainge – Director of Leisure	

RECOMMENDATION

1. That the information in the report and attached appendix is noted.

BACKGROUND INFORMATION

2. This report provides an overview of progress to date with insourcing the leisure service, in June 2023.
3. Following the recommendation of the GW0 report in March 2021, on 14 September 2021, the cabinet considered the GW1 Procurement Strategy report for insourcing the leisure service and approved the plan to bring the leisure service back in-house in June 2023 at the expiry of the current contract with Sports and Leisure Management Limited (operating as Everyone Active). A further update report was taken to Cabinet in December 2022.
4. As noted in those reports, the council’s primary aims and objectives for the insourcing strategy are:
 - To give the council direct control over its leisure services and enable, in time, significant innovation in leisure provision, through wide-reaching cross-council and whole system collaboration, which further enhances the health and well-being of Southwark’s residents.
 - Transferring the service as smoothly as possible for customers
 - Transferring the service as smoothly as possible for staff
 - Delivering a value for money service.

KEY ISSUES FOR CONSIDERATION

5. Officers reported to the Audit, Governance and Standards Committee in October 2022. At this time, Members requested that officers return with a further update in 2023, prior to the insourcing going live in June. Specific requests were made for the following information:

- The provision of more detail in relation to the actions being undertaken during the mobilisation period, to provide additional reassurance in the lead up to the transfer in June 2023;
- Further information about communication with both residents and staff about the insourcing.

Both of these issues are considered below, and the Highlight report at Appendix one provides a substantial overview of the programme as a whole.

6. Update on programme

7. The insourcing programme has robust governance arrangements, with the following core components:
- Joint Lead Member briefings
 - Sponsor Board – relevant strategic directors responsible for the core programme areas
 - Officer programme Board
 - Thematic project groups

A short summary of progress and key issues with each of the thematic groups are set out below, and in detail in the Appendix as follows:

- **HR** – a core mobilisation team has been recruited, to provide back office and management support to cover the areas currently provided by Everyone Active's head office, which will not be transferring with the contract. Significant work has been undertaken to understand the transferring group's (currently anticipated to be 316 staff) terms and conditions, reliant on draft TUPE information and discussions with Everyone Active. Meetings and discussions are also underway with both staff groups and union colleagues. The most recent staff meeting was on 24 January, 2023 and the most recent union meeting, was 27th January.
- **Finance** – work is moving towards completion of a detailed Target Operating Model. An additional £1.4m has been added to the budget, subject to Council approval, to address issues associated with the current economic challenges, including inflation.
- **ICT** – a new operating system (Gladstone) has been procured, and the team are working closely with the Gladstone team and the shared ICT team, as well as external suppliers, particularly Virgin, to ensure full systems integration from day one of the new service.
- **Procurement** - over 40 contracts have been identified for procurement, ranging from large contracts (e.g. cleaning and fitness equipment) right through to small contracts, (e.g. the purchase of consumables). Contracts will be procured in line with due process, including Contract Standing Orders.
- **Health & Safety** – following significant review, it has been agreed that the Council's Assure software is best placed to support the leisure-based Health and Safety requirements. Quality Management System compliance software is also currently being procured.

- **Facilities management** – each leisure asset has been the subject of a full asset review, undertaken by independent external facilities’ management consultants, BSP. The review has culminated in a full and detailed survey at each centre, which outlines repairs and maintenance requirements in the short, medium and long term, identifying whether the work falls to EA to remedy, or is a council responsibility. The surveys also flag opportunities for investment in more climate efficient plant and equipment, to support the borough’s Climate commitments.
- **Marketing and Communications** – a specialist marketing company, TA6, has been working with colleagues in the communications team, to engage with groups of users and non-users to develop a brand for the new service. The work is nearing completion, and the outcome will then drive significant other work, including uniform design and signage.
- **Contract Exit (EA)** – alongside plans to insource, officers are working towards Everyone Active’s exit, to ensure that all contractual requirements as set out in the 2016 contract are met.
- **Legal** – legal officers are supporting all elements of the insourcing process, to ensure that the service is insourced in line with legal, contractual and procurement requirements. This includes a wide remit of areas across the programme including, by means of example, contracts for new procured services, TUPE transfer, GDPR and the Scheme of Delegation.
- **Health** – leisure officers are working closely with colleagues in Public Health to ensure that current targeted public health programmes continue (e.g. Steps to health GP referral programme), as well as starting discussions about new opportunities afforded by the insourcing approach. A wider piece of work is due to commence shortly, to support this strategic development work, (Strategic Outcome Planning Framework) – which will include discussions with both officers across the council (particularly public health, adult social care and children’s services) and the wider health system (Integrated Care System). It is proposed to commence this work shortly, but this strategic work is intentionally running behind the June insourcing date, to ensure that initial focus on a safe landing of the service from 20 June 2023, is the main priority this summer.

Policy framework implications

8. The management of the leisure centres and delivery of excellent leisure services is directly linked to the council’s commitment to a ‘Fairer future for all’, in particular:

“We want to break down barriers that prevent people from thriving in Southwark, so that whatever your background you can live a healthy Life”
9. The refreshed Delivery Plan (2022 – 23) sets out a series of commitments across eight themes. Leisure centre provision contributes to the delivery of these commitments. In particular, the Plan states,
10. “Establish a new in-house active Southwark service, with access to a wide range of activities, across our pools, leisure centres, outdoor gyms, parks,

and sports facilities’.

11. In addition, leisure centre provision is an important part of the Active Southwark strategy which was agreed by the cabinet in April 2019. The themes of the strategy are:
 - Active People – understanding the circumstances of individuals to better shape our services and offer
 - Active Places – shaping our environment and facilities so that they encourage more people to be more active
 - Active Communities – maximising resources and building partnerships with our communities that promote physical activity

Community, equalities (including socio-economic) and health impacts

12. As noted above, the council will be undertaking strategic outcomes planning which will reflect upon how and where the in-house leisure service can contribute most positively to the delivery of the council’s wider strategic outcomes. This fundamental review will reflect the specific objectives and priorities established in the Delivery Plan and the ‘Southwark Stands Together’ pledges, whilst also recognising wider local needs and the strategic objectives of relevant partners and stakeholders. In particular, it is expected that the strategic outcomes planning will focus on the scope for the in-house leisure service to help to address health and other inequalities in Southwark.
13. Potential areas of community impact would be in relation to any changes implemented based on the result of the strategic outcomes planning work. To minimise any impact on the community and residents with protected characteristics, an equalities impact assessment will be carried out if changes are proposed.
14. That said, it should be noted that at the point of transfer there will be limited impact on the community as the council plans to retain its existing leisure offer initially, to ensure a successful transition/ bedding in period.
15. The Equalities Impact Assessment will be updated at key milestones throughout the process.

Equalities (including socio-economic) impact statement

16. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The details of how social value will be incorporated within the insourcing of the leisure services are set out in the following paragraphs.
17. The insourcing of the leisure service will result in benefits for the local economy. One of the council’s key objectives of insourcing the service is

to increase the numbers of locally employed people who will benefit from the council's favourable terms and conditions.

18. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that all staff, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. EA are currently also delivering on this.
19. The council will continue to appoint apprentices as part of an insourced leisure service, with an intake scheduled to be recruited in May 2023 for commencement in September 2023.

Health impact statement

20. The long term objectives of insourcing the leisure services are directly linked to reducing health inequalities and improving the opportunities for residents to lead healthier lives through the development of a more resident focused service.
21. The process by which the leisure services are insourced does not impact on the current opportunities that residents have, as the initial aim is to provide the same service that residents currently receive, before reviewing the offer.
22. The Project Delivery Team will be consulting with key health stakeholders such as the Public Health team and Adult and Social Care Team to develop the long term vision for the service, so ensuring that it remains closely aligned to their current policies and strategies for reducing health inequalities and providing equitable access to services for all residents.

Climate change implications

23. The council's leisure providers have always been required to provide acceptable and appropriate environmental policies, required to deliver on specific performance targets for increasing recycling, reducing waste and energy consumption and expected to implement energy management plans aimed at reducing carbon emissions in line with the council's own targets.
24. With the council declaring a Climate Emergency it is expected that the requirements of an insourced service will not only continue to uphold the existing standards in place, but to expand on them over time. In this regard, the service will seek to set the example of good environmental impact management and deliver on the key objectives from the Climate Emergency Action plan approved by cabinet in July 2021.
25. A full energy assessment and impact study has been completed for each facility.

Resource implications

26. Insourcing of the leisure service has significant resource implications. In terms of people resource, the Head of Leisure Insourcing has overseen the recruitment of the operations, commercial and finance/systems manager roles, as well as other key management / back office posts, including a Programme Manager, an applications systems team leader and a HR Business partner.
27. Other posts being recruited in early 2023 include an HR Learning and Development Business Partner, a Marketing Coordinator, and Facilities Management Coordinator.
28. Staff in the current leisure contract will be protected under the Transfer of Undertakings (Protection of Employment) legislation (TUPE). There are likely to be amendments to the final number of staff who will transfer under TUPE arrangements. The impact of these changes on HR and payroll will be managed as part of the HR working group.

Financial implications

29. The cabinet report of 14/9/2021 approved a one-off mobilisation budget of £2.4m.
30. In addition to the base leisure budget, the 2023-24 budget includes, subject to Council approval, a commitment of £1.4m additional revenue funding, to help address issues associated with the current economic climate, including inflation.
31. A new and specific cost centre has been setup to collate and monitor all costs associated with the insourcing of the council's leisure facilities and related services. The related costs will be monitored and reported as part of the departmental revenue budget monitoring process.

Consultation

32. Staff - Formal engagement and consultation will take place with existing Everyone Active staff as part of the TUPE process. Consultation will also take place with the relevant Trade Unions as part of this process to assist with robust check and challenge of the programme management process. The aim is to make the transition from external contract to council employee as smooth and informed as possible. In addition to the formal processes, informal discussions are also taking place between staff (as supported by, and agreed with, EA) and with the unions, to seek to minimise disruption, reduce anxiety associated with change, and maximise opportunities.
33. Internal stakeholders – relevant teams and departments such as public

health and adult and social care are part of the governance structure of the programme to insource the services. As such they have representatives on the corporate steering group, and the Programme Management Team will have regular workshop meetings to explore the insourcing route and future direction of the service in more detail.

34. External stakeholders and residents –Consultation with existing users and other residents will take place as part of the Strategic Outcome Planning work. Focus groups have also been set up to discuss the development of the new brand.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

35. There are no specific legal implications arising from the recommendations in this report, which is an update report in respect of the planned insourcing.
36. Attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The PSED General Duty is a continuing duty, and therefore Members are specifically referred to the community, equalities (including socio-economic) and health impacts in the report, which set out the consideration that has been given to equalities issues.
37. The Director of Law and Governance and her staff will continue to provide advice to officers on any legal and governance issues arising.

Strategic Director of Finance and Governance (EL22/122)

38. The report is requesting Members to note the progress that has been made in respect of the delivery of the project plan, the challenges and opportunities associated with insourcing, and management of risk in respect of the insourcing of the leisure service.
39. The strategic director of finance and governance notes the financial implication on the funding arrangements and understands that any mobilisation costs will be incorporated within the departmental revenue budget monitoring and reporting arrangements.
40. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 0 - Appraisal of Management Options for Leisure Centres See link below -	Leisure/ Leisure Insourcing 160 Tooley Street, London Borough of Southwark, SE1 2QH	David Pugh 07889 303163
Gateway 0 - Appraisal of Management Options for Leisure Centres.pdf		
Gateway 1 - Procurement Strategy Approval - Insourcing the leisure service See link below –		
Gateway 1 - Procurement Strategy Approval - Insourcing the leisure service.pdf		

APPENDICES

No.	Title
Appendix 1	Q3 Member Highlight report

AUDIT TRAIL

Lead Officer	Toni Ainge, Director of Leisure	
Report Author	David Pugh, head of Leisure Insourcing	
Version	Final	
Dated	27 January 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		27 January 2023

Project Highlight Report

Reporting period:	Q3, 2022	Start Date:	01/10/2022
Project Name:	Leisure Insourcing	Original End Date:	31/12/2022
Programme Name:	Leisure Insourcing Delivery Programme	Revised End Date:	
Project Manager:	Toni Ainge / David Pugh	Overall RAG status:	GREEN
Project Sponsor:	Caroline Bruce / Duncan Whitfield / Michael Scorer		

Project description:	The Council will be insourcing its leisure centres at the end of the current contract with Everyone Active, on 20th June 2023. This highlight report captures the key activity, actions, issues and risks associated with the insourcing, during the mobilisation period.
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Progress Summary	<ul style="list-style-type: none"> • Good progress is being made by the leisure insourcing mobilisation team and, whilst there is a significant workload associated with this insourcing, good progress towards transfer of the leisure facilities to council management and operation in June 2023 is being made. • Strong governance process in place for project delivery including a joint lead member briefing, Sponsor Board, Programme Board and Project Delivery Team, covering 10 key workstreams and supported by officers from all departments across the council. • Maintenance of strong and cooperative relationship with outgoing contractor Everyone Active and positive engagement with Everyone Active staff in preparation for transfer to Council employment. • Development of a robust financial model to support delivery of the new service within allocated budgets. • Development of a strong marketing and communication plan to ensure promotion of the service to demonstrate the positive impact this will have on community health and wellbeing. • Detailed analysis of asset conditions and development of a robust plan for future maintenance and sustainability of council public leisure facilities. • Commencement of a forward looking strategy to support delivery of the Council Delivery Plan and the emerging Council Vision for 2030.
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Workstream Progress

HR

- We have recruited a HR Business Partner to support the transfer process, and development of our operational policies.
- We are in the process of recruiting a HR Learning and Development Partner who will support development of training plans and onboarding.
- We are putting in place resources to assist with pension and payroll systems.

FINANCE

- We have completed a draft revenue model based on information shared by EA and consideration of current trading circumstances.
- We are completing design and content for the account coding structure and processes.
- We are establishing data governance, bank and receipt control arrangements for the new service. □

ICT

- We have created our 'digital map'. We have identified the systems we want to purchase and are now procuring. Key items include:
 - Gladstone 360 booking and payment system and online App.
 - Gladstone pay – DD collection service
 - WAM – Asset management System (currently used by EA)
 - Right Directions – Quality and Staff Communication platform.
 - Assure – Council H & S platform
 - CRM/Sales – market currently being tested

PROCUREMENT

- We have identified 40 goods and service contracts which must be put in place prior to transfer, from servicing plant rooms to purchasing stationary. We have recruited temporary specialist procurement personnel to support this process, following relevant procurement processes.
- Where practical, we will engage with current suppliers and consider options for continuous supply of services.
- Uniform is identified as a key contract, following engagement with EA colleagues to review uniform style and garments we were able to create a standard specification for each role, which we are now in the process of procuring.

HEALTH & SAFETY

<ul style="list-style-type: none"> • We are arranging for the Council H & S software system, Assure, to include the leisure facilities on transfer. • We are procuring a software system to support implementation of a quality management system covering all policies and procedures. 			
FACILITIES MANAGEMENT			
<ul style="list-style-type: none"> • We have completed detailed conditions surveys on each site and we are now reviewing and setting priorities for work to be undertaken in the short term and where practical before transfer. This has also helped to identify the investment required to maintain facilities when the service transfers. • We are shortly planning to start recruitment for a Facilities Coordinator. 			
MARKETING AND COMMUNICATIONS			
<ul style="list-style-type: none"> • We have commissioned support from a company, 'Alliance TA6', who operate extensively across leisure providers in the uk, to support development of our marketing strategy and plan, working alongside colleagues in the communications team. • The first focus is on developing a brand to represent the new service. Brand design is anticipated to be completed by the end of January. • We have created a content map for the new website and we are starting to develop the content ready for the brand design. • We are shortly going out to recruitment for a Marketing Manager 			
Legal and Contract Exit			
<ul style="list-style-type: none"> • We have engaged the support of legal service colleagues and external support where appropriate in all matters relating to contract transfer including; TUPE arrangements, procurement and contract exit. • We have a detailed contract mobilisation plan covering all exit actions and a meeting programme established with EA to progress actions on all work areas. • We are putting in place resources to assist with payroll systems and arrangements. □ 			
Health			
<ul style="list-style-type: none"> • We are working with public health colleagues and have agreed continuation of exercise referral and health intervention programmes after transfer. • We are working collaboratively with colleagues to support development of digital pathways which will work together and improve the customer engagement and digital journey. • We are actively engaged in the development of future planning and delivery of borough wide strategies. 			
Focus for next period:			
<p>HR - Recruitment and appointment; HR Learning & Development Partner, Facilities Manager, Marketing manager and ICT System Support Manager. Issue of Request for Employer Liability Information from EA.</p> <p>ICT- Complete procurement of all systems. Gladstone project commences; liaison with marcomms team over website/app connectivity and design.</p> <p>FM - Agreement on plans and actions arising from publication of building condition surveys.</p> <p>Marketing & Communications. Complete the brand design and website framework.</p> <p>Procurement - Complete procurement governance process and issue contracts for goods and services essential to transfer of the service on 20th June 2023.</p> <p>Finance - Final Target Operating Model and account structure in place on SAP.</p> <p>Health / Strategic - commencement of Strategic Outcomes Planning framework - focus on those areas needed to inform front-end business critical issues, such as branding.</p> <p>Legal & Contract Exit - Execute service mobilisation plan.</p>			
Key milestones			
Milestone	Owner	End date	Comments
Recruitment Mobilisation & Senior Posts	DP	30/10//2022	
Develop and Implement Staff Onboarding Plan	DP	28/02/2023	
Transfer of Staff, Contract Arrangements	DF	30/03/2023	
IT connectivity with external broadband supply	MG	30/03/2023	Connectivity reliant on external provider, Virgin, completing connections. Contingency plan in progress to provide 5G connection for sites which are not connected prior to transfer.
Draft Year 1 Budget & Total Operating Model	JN	31/08/2022	

Purchase ICT Revenue & Booking Software Package	MG	30/10/2022	
Development Health & Safety & Quality Software Package	BH	30/04/2023	
Purchase ICT Asset Management Software Package	DP	31/01/2023	
Development and Implementation of Procurement Action Plan	JB	31/03/2023	Collating all information and completing appropriate documentation took longer than anticipated. Additional resources recruited.
Develop and implement Public Marketing & Communication Plan	LN	28/02/2023	
Develop and implement EA Contract Exit Plan	AC	31/003/2023	
Develop and action collaboration with Public Health	DP	31/01/2023	

Item No. 8.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, governance and standards committee
Report title:		Internal audit and anti-fraud progress report: [date]	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the audit, governance and standards committee note the report, as attached at Appendix A.

BACKGROUND INFORMATION

2. This report informs the Audit, Governance and Standards Committee of progress against completion of the 2022-23 internal audit plan.

Policy implications

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

Community, equalities (including socio-economic) and health impacts

Community impact statement

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

Equalities (including socio-economic) impact statement

5. This report is not considered to contain any proposals that would have a significant equalities impact.

Health impact statement

6. This report is not considered to contain any proposals that would have a significant health impact.

Climate change implications

7. This report is not considered to contain any proposals that would have a significant impact on climate change.

Resource implications

8. If there are direct resource implications in this report, such as the payment of fees, these will be met from existing budget provision.

Consultation

9. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

10. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

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

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Greg Rubins, Angela Mason-Bell; BDO	
Version	Final	
Dated	14 November 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Governance	No	N/A
Strategic Director of Finance and Governance	No	N/A
Cabinet Member	No	No
Date final report sent to Constitutional Team	26 January 2023	




INTERNAL AUDIT AND ANTI-FRAUD PROGRESS REPORT

London Borough of Southwark

For presentation to the Audit, Governance and Standards Committee

6 February 2023



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Appendix 2: Local Government sector update	See separate paper

1. SUMMARY OF INTERNAL AUDIT WORK

Purpose of report

This report informs the Audit, Governance and Standards Committee of progress against completion of the 2022-23 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 2022-23

The status of the audits commenced to date for 2022-23 is outlined within section 3 of this report. Where reports have been finalised, the executive summaries are included in section 4. The remaining audits for the year are being scoped and are due to be completed from February to mid-April 2023.

Internal audit programme for schools 2022-23

We have agreed a work programme with the Director of Education that will meet the assurance needs of the Council, whilst recognising that schools have faced significant pressure during the year and have remained closed for significant periods of time.

The assurance ratings for schools where final reports have been issued are included in section 3.

An end of year report summarising the results and common themes arising from our school internal audit programme will be presented as part of our end of year reporting in June 2023.

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 ahead of each Audit, Governance and Standards Committee. A full schedule of recommendations falling due in the period is issued to each Departmental Management Team.

The recommendation implementation rate has increased from 86% to 87% since our last progress report in November 2022. We are awaiting updates and provision of evidence for several audits; therefore the actual implementation rate may be greater than 87%.

Internal audit plan 2023-24

The proposed internal audit plan for 2023-24 is presented to the Audit, Governance and Standards Committee under separate cover.

2. ANTI-FRAUD UPDATE

Due to the absence of key officers at the time of writing, this update will be provided as an addendum to the report.

3. SUMMARY OF WORK IN PROGRESS 2022/23

The table below includes the status of audits commenced to date. For those audits shaded in grey, the executive summaries are included in section 4.

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Supporting Families Grant	Director of Children and Families	20	Audits completed on a sample of 10% of claims on a quarterly basis.			For the period to 1 October to December 2022 no exceptions were identified for the sample of claims reviewed.	
Protect and Vaccinate Funding	Director of Finance	6	✓	✓	✓ Final Report	NA Advisory	NA Advisory
EU project URBACT Thriving Streets - Grant - Phase 3	Director of Environment	6	✓	✓	✓ Final Report	NA Advisory	NA Advisory
Adult Learning Services	Director of Education	15	✓	✓	✓ Final Report	Moderate	Substantial
Buyback of Properties	Director of Customer Experience	15	✓	✓	✓ Final Report	Substantial	Substantial
General Ledger	Director of Exchequer Services	15	✓	✓	✓ Final Report	Moderate	Moderate
Software licence management	Head of IT and Digital Services	20	✓	✓	✓ Final Report	Limited	Limited
Special Education Needs (SEN)	Director of Education	20	✓	✓	✓ Final Report	Moderate	Moderate
TMOs - Use of Reserves	Director of Communities	20	✓	✓	✓ Final Report	Moderate	Limited
Complaints	Director of Customer Experience	20	✓	✓	✓ Final Report	Moderate	Moderate

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Cemeteries and Crematoria	Director of Leisure	20	✓	✓	✓ Draft Report		
Children's Quality Assurance Unit	Director of Children and Families	15	✓	✓	✓ Draft Report		
Covid-19 pandemic related expenditure	Director of Adult Social Care	14	✓	✓	✓ Draft Report		
Member Office Protocol	Director of Law and Governance	15	✓	✓	✓ Draft Report		
Solace Womens Aid - Contract Management	Director of Environment and Leisure	20	✓	✓	✓ Draft Report		
APEX Asset Management	Director of Asset Management	15	✓	✓	✓ QA		
Private Sector Licensing	Strategic Director of Finance and Governance	30	✓	✓	✓ QA		
Building Control	Director of Planning and Growth	15	✓	✓			
Hospitality and Gifts Register, Register of Interests	Director of Law and Governance	25	✓	✓			
Mental Health Services	Director of Adult Social Care	15	✓	✓			
Overtime	Director of Exchequer Services	15	✓	✓			
Pensions Administration	Pensions Manager	15	✓	✓			
Pupil Registry Systems	Director of Education	15	✓	✓			

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Safeguarding - adults	Director of Adult Social Care	20	✓	✓			
Markets	Director of Environment	20	✓	✓			
IT Applications Review	Director of Customer Experience	35	✓	✓			
Building Safety	Director of Asset Management	25	✓ Draft				
Voids	Director of Resident Services	20	✓ Draft				
Southwark Building Services - Service Improvement Plan	Director of Asset Management	20	✓ Draft				
Tenancy Management Organisations	Director of Communities	30	✓ Draft				
Parking Management & Estates Parking Permits	Director of Environment	15	✓ Draft				
Climate Emergency Strategy and Green Economy Plans	Strategic Director of Environment and Leisure	25	✓ Draft issued				
Use of Consultants/Payments to individuals outside PAYE/IR35	Director of Exchequer Services / Director of HR	20	✓ Draft				
Accounts Payable	Director of Exchequer Services	15	Scoping meeting held				

Audit	Director / Audit Sponsor	Days	ToR issued	Fieldwork	QA / Reporting	Design	Operational Effectiveness
Adopt London Partnership	Director of Finance	12	Scoping meeting held				
Housing Rents	Director of Exchequer Services	20	Scoping meeting held				

Schools internal audit plan 2022-23

The table below includes the status of audits commenced to date. A summary schools report will be prepared as part of the internal audit year end reporting, and presented to the Audit, Governance and Standards Committee in June 2023.

School	Status	Design	Operational Effectiveness
Charlotte Sharman Primary	Final Report	Moderate	Limited
Keyworth Primary School	Final Report	Moderate	Moderate
Southwark Inclusive Learning Service	Final Report	Moderate	Moderate
St Mary Magdalene Church of England Primary School	Final Report	Moderate	Limited
St Saviour's and St Olave's Church of England School	Final Report	Moderate	Limited
Dulwich Wood Primary School	Draft Report		
Haymerle School	Draft Report		
Peter Hills with St Mary's & St Paul's Church of England Primary School	Draft Report		
Oliver Goldsmith Primary School	Draft Report		
St Joseph's Junior School	Fieldwork		
St Jude's Church of England Primary School	Fieldwork		
Tuke School	Fieldwork		
St Peter's Church of England Primary School	March 2023		
Michael Faraday Primary School	March 2023		
Grove Children & Family Centre	March 2023		
St George's Church of England Primary School	March 2023		
St Joseph's Roman Catholic Primary School, George Row	March 2023		
Ilderton Primary School	April 2023		
Phoenix Primary School	April 2023		

4. EXECUTIVE SUMMARIES OF REPORTS FINALISED SINCE THE LAST MEETING

EL37 TMO Reserves and Surplus Funds November 2022	LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
	Design	Operational effectiveness	High	1
	Moderate	Limited	Medium	4
			Low	-
Purpose of audit:	To provide assurance over the design and operational effectiveness of the controls relating to the cyclical maintenance allowances received for Major Works by the TMOs and the Reserve and Surplus Fund accounts being maintained and managed by the TMOs.			
Background:				
<p>The Council has 17 Tenant Management Organisations (TMOs) comprising of 4,630 properties, of which 2,988 are rented by the Council tenants and 1,642 are leasehold or freehold. The Council funds the TMOs by paying allowances to run services and host local offices. TMOs employ their own staff to provide the housing management services for the residents. The Council has a Modular Management Agreement (MMA) in place with each TMO, which is monitored on behalf of the Council by the Tenants Management Initiatives Team (TMI). The agreements outline the services that each party is responsible for in the management of housing stock including the financial control and accounting standards required to be maintained by the TMOs.</p> <p>The Reserves Fund is set up by the TMOs on behalf of the Council to meet anticipated costs in future years resulting from under-spending on repairs and services, known commitments for future works and costs arising from unforeseen circumstances whereas the Surplus Fund is the efficiency savings made by the TMO and is therefore owned by them. TMOs are required to account for and report the Reserves and Surplus Funds per their MMA. Some TMOs may have a single account for reserves and surplus rather than two separate accounts per the requirement of the MMA. This may lead to confusion on money that is owned by the TMO, and money held on behalf of the Council. If the TMO ceases to operate and/or is dissolved, the money remains with the TMO for it to spend for the benefit of the organisation in accordance with its rules. Money held in the Surplus Fund is not returned to the Council if the TMO ceases to operate, unlike those held in the Reserve Fund, which will return to the Council.</p> <p>The Council is responsible for major works for cyclical decoration and associated repairs, structural repairs, renewal of components, fixtures or fittings, and improvements to dwellings if it considers them to be necessary or desirable. The Right to Manage guidance published by the Ministry of Housing, Communities and Local Government (MHCLG) outlines guidance relating to schedules in the MMA for the TMOs.</p> <p>The Council has produced four options relating to major works based on the guidance provided by the MHCLG. The Council and each TMO agrees to one of the four options in relation to Major Works.</p> <ul style="list-style-type: none"> • Option A: The Council conducts major works but agrees to consult the TMO in relation to them • Option B: The Council enters major works contracts, but the TMO agrees to supervise them • Option C: The TMO agrees to enter major works contracts and supervise them within the budget for major works contained within the allowances • Option D: The Council and the TMO agree that more than one of the options A, B and C may operate concurrently. 				

TMOs are required to produce the audited annual accounts for the past financial year within six months from the end of the financial year. The accounts should show: a statement of the TMO's income and expenditure, the assets and liabilities of the TMO, other than items included above, the Major Works Account (if applicable), the Reserve Fund and the Surplus Fund.

Areas of strength:

- The audited financial statements for all 16 TMOs included areas per the requirement of the Modular Management Agreements (MMAs), such as income, expenditure, assets, liabilities, and major works account where applicable.
- The MMAs for all 16 TMOs included the requirement for the TMOs to have a separate Reserves and Surplus Fund accounts.
- The funds spent from the Reserves and Surplus Fund accounts were in line with the TMO delegated authorities.

Areas of concern:

- Five TMOs have cyclical decoration funds (total value over £1m) presented on their financial statements (period ending 31 March 2021) and have been paid this allowance since their inception, despite these TMOs opting for Option A or B in relation to cyclical decoration responsibilities. In three of the five cases payments of the allowance have stopped.
- Nine out of 16 TMOs did not have a separate Reserve and Surplus Fund reported on their balance sheet. The MMA requires the TMOs to report Reserve and Surplus Fund separately within the financial statements.
- One TMO did not have a minimum of 25% of the current financial year allowances maintained within the Reserve Fund.
- One TMO has an account titled 'Contractor's Fund'. The TMO Manager explained that this account is used as the Reserves Fund, however, there is no specific Reserves Fund account on the TMO's financial statements per the requirements of the MMA. Two TMOs do not present the Reserves Fund account on their financial statements, instead an accumulated surplus account is the deemed Reserves Fund on their financial statements.
- Eight TMOs did not have a separate Surplus Fund presented on their financial statements per the requirement of their MMAs.
- We compared the balances of Surplus Funds (for eight TMOs where a separate Surplus Fund was presented) as of 31 March 2021 with the previous year balances as of 31 March 2020. Five TMOs did not achieve the desirable efficiencies per best practice.
- The audited financial statements for twelve out of 16 TMOs were not finalised within six months of the end of 2020/21 financial year (by 30 September 2021) per the requirement of the MMA. The delays ranged from 3 to 132 working days.

FG09 Complaints January 2023		LEVEL OF ASSURANCE		SUMMARY OF RECOMMENDATIONS	
		Design	Operational effectiveness	High	1
		Moderate	Moderate	Medium	1
				Low	1
Purpose of audit:	To provide assurance over the design and operational effectiveness of the controls relating to the Council's response to complaints, clarity of roles and responsibilities, documentation, timeliness of responses and closure of cases.	Added value:	<p>We compared the Council's Corporate Complaints policy/procedures with other similar London Boroughs (Appendix I) and identified the following:</p> <ul style="list-style-type: none"> • The sections included within the Council's policy cover all key areas and were in line with other councils. • The Council aims to acknowledge the complaint within three working days, which is in line with the average number of days when compared with other similar councils. • The Council aims to provide a response to the complainant (for Stage 1 complaints) within 15 working days, which is in line with the average number of days when compared with other similar councils. <p>The Council aims to provide a response to the complainant (for Stage 2 complaints) within 25 working days which is slightly higher than the average number of days (21). Enfield Council (30 days) and Lambeth Council (25 days) were the only other councils which either have the same number of days or higher for a Stage 2 response, all other Councils have fewer number of days.</p>		
<p>Background:</p> <p>The Council is committed to achieving the highest possible standards of service and ethical standards in public life. The Council recognises the value of customer complaints and welcomes them as an important form of feedback on its services. The Council defines a complaint as <i>any expression of dissatisfaction about any of our services requiring a response</i>.</p> <p>A complaint can be made by residents, local businesses, visitors to the borough, suppliers of services, community groups and any other groups or individuals that use or are affected by the Council's services. The Council also accepts complaints from people acting on behalf of someone else such as Councillors, Members of Parliament (MPs) and representatives. The Council accepts complaints in all formats, and they can be made in several ways, including via the Council website, completing a complaints form, via email, phone call or fax, writing to the Council, or in person at customer access points.</p> <p>The Council operates a two-phase complaints process, which gives the complainant the right to have their complaint reviewed at more senior levels if they are dissatisfied with the outcome of the initial response.</p>					

- Complaint phase (Stage 1): The complaint is dealt with by officers, contractors or the service manager in the section providing the service. If the complaint is about the manager, a more senior member of the management team handles the complaint.
- Review phase (Stage 2): If the complainant is dissatisfied with the outcome of their complaint, the Customer Resolutions Team carries out an independent review of the complaint on behalf of the Chief Executive.

The time limit for a full response is 15 working days for the complaint phase and 25 working days for the review phase.

If a complainant is dissatisfied with the way the Council has handled their complaint at the end of the review phase, the complainant can contact the local government ombudsman or the housing ombudsman. The housing ombudsman considers complaints made about local authority services in their role as landlords while the local government ombudsman investigates complaints about most other local authority services.

Areas of strength:

- The Council has a complaints policy in place which is available to staff through the Council's intranet (TheSource). The policy is sufficiently detailed and includes all key sections such as how a complaint is handled, what information is needed to investigate a complaint, complaints resolution process, actions undertaken to put things right and financial compensation.
- From our review of the Council's website, we confirmed that the webpage on complaints is sufficiently detailed for the Council's customers, with key information such as the escalation process and complaint resolution timeframe being included.
- We identified that there is a lessons learnt template (in use since August 2022) which includes all key information such as the learning identified, action taken as a result of the complaint, complaint outcome, compensation if any etc. We reviewed some examples of the completed template to assess if these captured the required information adequately and found these to be satisfactory. We also reviewed the lessons learnt log maintained by the Complaints Team and noted that it is complete with all key information recorded.
- A periodic report (email) is sent to service managers, heads of services and directors which includes information on timeliness and promptness of the complaints handling process (Appendix II). We found the reports to be sufficiently detailed including the % of cases completed within the required timeframe per the policy, average number of days taken to complete the cases and a distribution of cases received by the Council categorised into Adult Social Care complaint, Advocacy, Children Act complaint, Comment, Corporate complaint, Compliment, Enquiry, Member complaint, Member enquiry, Ombudsman formal enquiry, Representation, Stage 2 complaint and Suggestion.
- The quarterly complaints reports for all departments, presented to the Chief Management Team including a breakdown of complaints has been provided for each service, detailing response times and root causes of each complaint.
- The action log maintained by the Complaints Team is sufficiently detailed. The Operations Manager advised that the log is updated at least monthly, and they are looking to update it more frequently (on a weekly basis).

Areas of concern:

- We reviewed a sample of 20 complaints (15 Stage 1 and five Stage 2) registered since 1 April 2022 to assess if acknowledgement letters were sent to the complainants and if a decision was provided to the complainant in accordance with the Council's Complaints policy. We identified the following exceptions:

-
- In three cases, no evidence of an acknowledgement letter was available on the system
 - In 11 cases, a decision was not made for a Stage 1 complaint and communicated to the complainant within the required timeframe per the Complaints policy, delays ranged from two to 67 working days
 - In two cases, a decision was not made for a Stage 2 complaint and communicated to the complainant within the required timeframe per the Complaints policy, delays ranged from 19 to 97 working days as at the audit testing date (7 November 2022)
 - In nine cases, a caseworker was not assigned to the case within a reasonable timeframe (within one week) which potentially could have delayed the decision to be made within the timeframes per the policy.
 - We reviewed the training arrangements in place to assess whether these were adequate to manage complaints appropriately and were periodically provided to staff dealing with complaints. The Complaints Manager and the Operations Manager explained that the training arrangements used to be in place but due to the introduction of recent changes such as in relation to capturing the lessons learnt, the training material needs revising. We were advised that the arrangements are ad-hoc and formal training arrangements are not in place.

5. SUMMARY OF RECOMMENDATIONS STATUS

Of the 429 high and medium recommendations relating to 2017-18 to 2022-23, that have fallen due as at 24 January 2023, we have confirmed with reference to evidence that 375 have been fully implemented or superseded, representing 87%. The chart shows the relative percentages for each of the four years.

The implementation rate for previous recommendations has increased marginally from 86% to 87% since the last report to the Committee. Whilst there are some longstanding recommendations from previous years that remain to be implemented, these have now reduced in number.

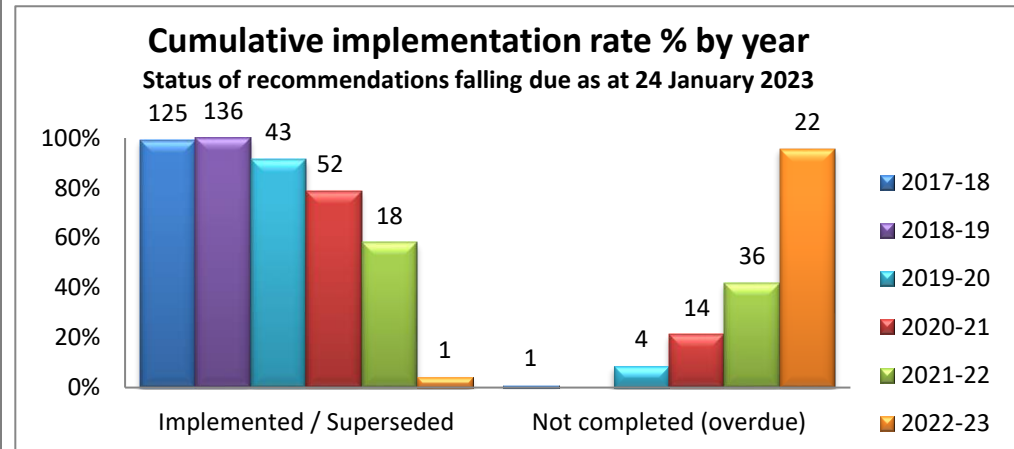
Several audits remain for which the required update was not provided by the date of reporting, which are indicated in our summary. The implementation rate may be higher than 87%. However, without management responses and supporting evidence, we cannot confirm this.

There are also several audits where the originally agreed implementation date has not been met and a new date has been provided.

The implementation status of each internal audit is summarised in the table overleaf.

Please note that the table does not include audits where:

- All recommendations have been implemented
- Recommendations to be followed up as part of another audit during the year (for example key financial systems)
- Recommendations not yet due for implementation.



RECOMMENDATION IMPLEMENTATION RATES BY AUDIT

Audit Area	Total High & Medium recommendations 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		
Chief Executive's Department									
2017-18 Land Charges	5	1	3	-	1	-	-	80%	April 2019 December 2019 March 2023
2019-20 S106 Agreements	3	-	-	-	3	-	-	0%	January 2024 December 2024 June 2021 - awaiting evidence
2020-21 Community Infrastructure Levy	1	-	-	-	1	-	-	0%	December 2020 July 2021 - awaiting evidence
2021-22 Movement Policy and Plan	6	-	6	-	6	-	-	0%	January 2022 April 2023
2022-23 Emergency Planning	2	-	-	-	2	-	-	0%	February 2022 February 2022 - awaiting evidence
Children's and Adults Department									
2020-21 Foster Carer Payments	3	-	1	-	1	-	-	33%	December 2020 Awaiting update
2020-21 Payments to Children and Families	3	-	-	-	-	1	2	0%	January 2024 Awaiting update
2020-21 Supported Living	3	1	1	-	1	-	-	66%	September 2024 Awaiting update
2020-21	1	-	-	-	1	-	-	0%	September 2024

Audit Area	Total High & Medium recommendations 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		
Travel Assistance									March 2022 September 2022 Awaiting update
2021-22 Youth Offending Team	3	-	-	-	3	-	-	0%	March 2022 September 2022 Awaiting update
2021-22 Adoption Services	3	-	-	-	-	2	1	0%	January 2023
2022-23 Continuing Healthcare	3	-	-	-	-	-	3	0%	October 2022 Awaiting update
2022-23 Contract Management: Mobilisation	3	-	-	-	1	-	2	0%	June 2022 October 2022 Awaiting update
2022-23 All Age Disabilities	2	-	-	-	-	-	2	0%	June 2022 Awaiting update
Environment and Leisure Department									
2020-21 Climate Change	4	-	3	-	1	-	-	75%	November 2021 March 2023
2020-21 South Dock Marina	1	-	-	1	-	-	-	0%	June 2022 November 2022 March 2023
2021-22 Cooper Close TMO	3	-	1	-	2	-	-	33%	April 2022 July 2022 Awaiting update
2022-23 Leisure Services	1	-	-	-	1	-	-	0%	July 2022 January 2023 - Awaiting evidence

Audit Area	Total High & Medium recommendations 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		
2022-23 Highway Maintenance	1	-	-	-	1	-	-	0%	May 2022 January 2023 - Awaiting evidence
2022-23 Library Services	4	-	-	-	-	-	4	0%	September 2022 April 2023
Finance and Governance Department									
2019-20 Home Ownership - Garages	3	1	1	-	1	-	-	67%	April 2020 January 2024 November 2024 September 2022 March 2023
2020-21 Records Management	1	-	-	1	-	-	-	0%	March 2021 November 2024 June 2022 Awaiting update
2022-23 Housing Revenue Account	1	-	-	-	-	-	1	0%	August 2022 Awaiting update
2022-23 Insurance	2	-	1	-	1	-	-	50%	December 2022 June 2023
Housing and Modernisation Department									
2020-21 Software Asset Management	4	-	2	-	2	-	-	50%	March 2022 September 2022 December 2022 June 2023

Audit Area	Total High & Medium recommendations 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		
2021-22 Major Works	3	1	1	1	-	-	-	67%	June 2022 July 2022 March 2023 April 2023
2022-23 IT Disaster Recovery	4	-	-	2	2	-	-	0%	June 2022 December 2022 March 2023

RECOMMENDATIONS NOT YET IMPLEMENTED

The tables below show the latest updates with regards to the recommendations not yet implemented, where this has been provided. It excludes recommendations that have not fallen due.

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
Environment and Leisure Department		
2021-22 - South Dock Marina		
Both the Council and Marina should work together to agree a solution towards paperless working. Whilst we also recognise that the Marina does not have immediate capacity to deploy resources to scan all documentation, this is something that the Marina and Council should consider over the medium-long term to ensure all paper documentation has been scanned to either the Havenstar system (pending relevant modules and system upgrades) or the Marina's shared drive. Medium	Harbour Master June 2022 November 2022 March 2023	We were advised by the Harbour Master that a review with IT and Finance ongoing regarding payment portal.
2022-23 - Library Services		
a) The Library Operations Manager should detail the roles and responsibilities of library staff and provide guidance on the escalation process of service-delivery issues within the Library Operations manual. b) To include a section within the Library Operations manual which outlines the reporting and monitoring arrangements for each library. This should provide guidance on the expected level of detail, who it is generated by, and where reports should be presented. c) The Library Operations Manager should review the Library Operations manual and ensure that it reflects the current operational process of the service. As part of the review, the review date, approver, and the proposed date should be clearly outlined. Medium	Library Operations Manager a) December 2022 February 2023 c) March 2023 April 2023	We were advised that the New Library Operations Manager is working with Library Managers to complete a & b. A working group is being set up to review operations manual for part c. A review will be completed by end of April.

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>a) Timescales and milestones should be implemented for each action due, and a metric used to monitor progress towards achieving actions (for example, a red, amber, green system). Each update provided should be dated and signed off by the individual completing the update to add a level of accountability.</p> <p>b) At appropriate intervals, progress against actions in project plans should be reviewed to evaluate whether projects are on track for completion or whether corrective action needs to be taken for projects to meet the timescales identified. Implemented actions should be removed or clearly stated as completed by using the RAG rating system mentioned to ensure clarity over ongoing actions.</p> <p>Medium</p>	<p>Libraries & Heritage Manager</p> <p>September 2022 November 2022 January 2023</p>	<p>We were advised by the Libraries & Heritage Manager that this is in progress.</p>
<p>a) The Library Operations Manager should explore methods of debt collection adopted by other libraries.</p> <p>b) The Council should obtain formal approval and authorisation from the strategic directors confirming that the Council will recover or not pursue outstanding debt in terms of library fines.</p> <p>Medium</p>	<p>Head of Culture</p> <p>September 2022 December 2022 January 2023</p>	<p>We were advised that the low-cost debt due to unpaid fines and will be written off. There will be a meeting with the Finance team to discuss this further.</p>
<p>a) The Library Operations Manager should maintain a log of the libraries that have had cash collected by G4S Services to ensure that there are clear records of instances where cash is not collected. The log should be reviewed by Senior Management monthly to ensure that non collections are escalated where necessary and in a timely manner.</p> <p>b) A formal investigation should be initiated by Senior Management to review whether the services received by the service provider meet contractual expectations, and whether an alternative option should be considered where collections are not made in line with the contract, and the issue persists.</p>	<p>Library Operations Manager</p> <p>August 2022 March 2023</p>	<p>Part (a) - completed.</p> <p>Part (b) - We were advised by the Library Operations Manager that a further Review of G4S service for libraries will be completed.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
Medium		
2022-23 Leisure Services		
<p>a) The meeting minutes should record who is responsible for the action and the target date of implementation</p> <p>b) An update should always be recorded for an action where the target implementation date is in the past or at the day of the meeting</p> <p>c) Where an action is recorded as complete, the date of completion should be recorded for completeness.</p> <p>Medium</p>	<p>Head of Leisure Services</p> <p>January 2023</p>	<p>We were advised that:</p> <p>The minutes do now show all action owners and a target date</p> <p>Updates are regularly agreed and signed off by both the council and everyone active.</p> <p>The dates are put on the minutes once both parties have agreed an action is complete.</p>
2022-23 Highway Maintenance		
<p>a) The engineering Manager should enhance the K2 audit framework by:</p> <ul style="list-style-type: none"> • Publishing guidance outlining the content and expectations on how an audit should be conducted and the required skillset /qualification of inspectors. • Strengthen the narrative requirements of audits, including inclusion of an overall assurance pass rating and provide clear written justifications as to why documentation such as photos are not present. • Ensuring there is explicit clarification as to whether an audit is virtual or physical. • Details of the target number of inspection audits which should take place each month to promote a consistent comparison of KPI performance for each period. <p>b) To enhance the coverage of K2 audit inspection, the Engineering Services Manager should periodically</p>	<p>Engineering Services Manager</p> <p>May 2022</p> <p>January 2023</p>	<p>The Head of Highways has advised that there is no further development from the last update provided in November 2022, alongside examples of contract KPI targets. That update is repeated below for information:</p> <ul style="list-style-type: none"> • A documented guidance procedure has been produced and group training provided on using the K2 audit system. • The required skillset/qualification of all staff is documented in their job description. Technicians and engineers undertaking audit inspections are qualified to undertake audits by virtue of their job role and experience. Trainees, apprentices etc. undertaking audits do so initially under the guidance of an experienced technician/engineer until they have reached an acceptable level of confidence. For Lot A works the Engineering Services manager has the final veto regarding whether an audit failure is valid or deemed to have been incorrectly allocated. • The requirements for audits including the overall assurance pass rating are a formal part of the current highways contract and are reported each month as part of the contractual performance mechanism . Each Audit area has its own contractual target. The process allows the Contractor to comment on the client audit decision and refute an audit failure if they have evidence that it

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>include a sample of random invoiced work orders to the audit schedule.</p> <p>b</p>		<p>is unjustified. The process also allows comments to be added to the audit including justification as to why relevant documentation such as photos are not present.</p> <p>Awaiting evidence</p>
Finance and Governance Department		
2019-20 - Home Ownership - Garages		
<p>b) Waiting lists should be moved onto iWorld to centralise the waiting list procedure. This would minimise the risk of the waiting list being manipulated and would increase the transparency in the awarding of garages. Changes made would be reflected in an audit trail and will be identified if unauthorised. This will also ensure that priority of application as recorded in the Garage Lettings and Voids procedure</p> <p>Medium</p>	<p>Operations Manager</p> <p>November 2021</p> <p>September 2022</p> <p>March 2023</p>	<p>We were advised by the Operations Manager that progress continues to be made, and a further development day is being booked for 31st January 2023 to iron out some technical issues. Testing is due to start in February and the team is still confident of go live 1 April 2023.</p>
2022-23 - Insurance		
<p>On a six-monthly basis, a formal review of claims received should be undertaken identifying if there has been an increase in types of claims or locations of claims. These should be discussed at management meetings and reported to relevant departments as necessary to identify actions to mitigate the incidence of claims in the future.</p> <p>Medium</p>	<p>Corporate Risk and Insurance Manager</p> <p>December 2022</p> <p>June 2023</p>	<p>We were advised by the Corporate Risk and Insurance Manager that:</p> <p>Regarding the claims review, the council's claims handlers are migrating to a new system this year which should go live in April. This will have better functionality to produce reports, including a monthly reporting package. Currently, the downloads provided still require quite a lot of manual formatting by myself to make it able to be shared and meaningful for the service to correctly identify claims to their relevant areas, which isn't something I have the capacity to do at the moment. We also intend to amend the codes under which claims are reported to assist with this.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
Housing and Modernisation Department		
2021-22 Software Asset Management		
<p>i)Management should put in place a defined Software Asset Management Policy that documents the Council’s procedures for the management of software, which should include, but not be limited to:</p> <ul style="list-style-type: none"> • The procedures for the management of different types of software, including standard software, non-standard software, and line of business software • The procedures for the management of software assets throughout their lifecycle, including procurement, configuration, deployment, redeployment and decommissioning • The procedures for managing the software asset inventory, including software installation and registration and software removal • The arrangements for the transfer of licences when required • The roles and responsibilities of members of staff, including, but not being limited to, software misuse • The requirement for software audits to be performed on a regular basis, including the use of any appropriate audit tools. <p>ii)The defined policy or procedure should be formally approved and communicated to members of staff and should be subject to regular review with a version control in place.</p> <p>Medium</p>	<p>Head of IT Applications</p> <p>March 2022 June 2022 December 2022 June 2023</p>	<p>We were advised that the governance process for software intake has been implement with regular weekly meetings for Gateways in place as well as reviews. TDA ToR have been created and the process is mature now.</p>
<p>i)Management should carry out an exercise for collecting details and licensing information relating to</p>	<p>Head of IT Applications</p> <p>June 2021</p>	<p>We were advised that there is a corporate application register in place, however it is not fully up to date. Therefore, an exercise to get a third</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>the Council’s IT applications and update the Council’s application register as necessary. This should include:</p> <ul style="list-style-type: none"> • Business owners assigned to the 53% of applications that do not currently have a business owner • Software version number and the date it was last upgraded • Licencing information, including license type, product keys, location of the installation CD and expiry date. <p>ii)Arrangements should be put in place for the application register to be reviewed on a more regular basis, including the requirement for application owners to report to the Head of IT Applications throughout the year with any corresponding changes documented in the register. This process should also be adopted by services who own their applications when not managed by the central IT application team.</p> <p>Alternatively, management should perform a cost benefit analysis for commissioning an automated software asset management tool to assist with software management.</p> <p>Medium</p>	<p>Sept 2022 December 2022 June 2023</p>	<p>party to assist is taking place with the expected award to be made by 27 January 2023. Once in place, head of apps will ensure there are last update dates in place to ensure all apps are reviewed constantly. A separate exercise is taking place to review systems on legacy servers.</p>
2021-22 Major Works		
<p>a) Data quality policy documents, standards and documented procedures should be in place to ensure the quality and consistency of the data input to the Apex database e.g., fire risk safety, major heating system servicing, security door entry and lift servicing, electrical safety, water tanks drainage, asbestos, and external decorations, FENSA installations etc.</p> <p>b) Documented data quality standards should include a central registry for performance monitoring reports,</p>	<p>Interim Head of Investment/ Building Safety Lead/Business Owner of Apex and Asset Manager</p> <p>30 June 2022 30 November 31 March 2023 April 2023</p>	<p>We were advised that:</p> <p>a) User guides are in place for work streams. New QA team in place to carry out validation checks of the quality of submitted data. SLA to be created to ensure that new/amended component data is uploaded in the correct format and against prescribed timeframes. Target Date April 2023</p> <p>b) HOI report and risk register produced monthly, alongside KPI’s, which are communicated within the asset management teams. Contractor meetings/minutes etc are not collated within the Apex system, however</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>meeting minutes and actions to support the management of contractors prepared by the project managers, and other departmental officers within the investment team.</p> <p>c) A system report listing all the users of Apex, including access and permissions should be reviewed with immediate effect, to ensure users' access and privileges are appropriately aligned to current roles and responsibilities, and linked to starter and leaver procedures informed by HR/payroll.</p> <p>High</p>		<p>these are documented and recorded on central IT systems and form part of the HOI monthly report. Within the Investment team, new resource has been recruited to review, develop, and enhance existing policies and procedures. (Action closed)</p> <p>c) The Programme and Asset Team (aka Apex Team) have been reassigned from the Investment team, into the Building Safety Team as of November 2022. This change in line management and recruitment of additional staff allows for more focus on system management. With the imminent new IT solution, Apex system availability and access will be greatly reduced. A review of all users logging into Apex over the past 12 months has been undertaken and where no log-in has been attempted accounts have</p> <p>c) The Programme and Asset Team (aka Apex Team) have been reassigned from the Investment team, into the Building Safety Team as of November 2022. This change in line management and recruitment of additional staff allows for more focus on system management. With the imminent new IT solution, Apex system availability and access will be greatly reduced. A review of all users logging into Apex over the past 12 months has been undertaken and where no log-in has been attempted accounts have been suspend, with new user requests required to reactivate the account.</p> <p>It should be noted that Apex is only accessible with a fully operational Southwark account and hardware, as such staff who have left the organisation would not be able to access the system. In the new IT system new account requests and closure of accounts will form part of the new operating model. In addition the new system will have tiered access levels to prevent access to data which is not required and auto suspension of accounts after not logging in for a defined period. The system has full audit functionality and all access to data is logged and recorded within the system. The Building Safety Team will undertake quarterly assurance audits of users to ensure that access to the system is limited.</p>
2021-22 Disaster recovery		
<p>1.1. The Council's IT department, in collaboration with Council's Emergency Planning and Resilience (EPR) department and STS should develop a Council-wide IT disaster recovery plan that is aligned to and support the Council's priorities in executing recovery processes</p>	<p>Head of ICT</p> <p>June 2022</p> <p>November 2022</p>	<p>We were advised by the Head of IT that the Council has worked with Risual and created BIAs and BCPs and had the Emergency Response team as our senior stakeholders. All responsibilities have been clearly laid out.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>in response to a cyber security event or a disaster. The plan should aim to protect the Council’s IT infrastructure, promote recovery, and should include (but is not limited to) the following:</p> <ul style="list-style-type: none"> - Procedures for invoking the Council’s IT Disaster Recovery plan - Business impact and risk assessments used to guide recovery planning - IT systems, applications and resources required by the Council and how they should be utilized in the event of a disaster - Backup and recovery procedures for Council’s IT infrastructure, hardware, and systems - Location of alternative sites - Restoration, containment, and eradication procedures - Root cause analysis (including preservation of investigation evidence) - Contact information of critical third parties <p>The plan should be linked to the Council’s Business Continuity Plan/Incident response plan.</p> <p>1.2. Management should ensure that the roles and responsibilities are clearly defined and assigned to appropriate members of staff individually. The responsibilities should be communicated to all relevant members of staff and should be reviewed on an annual basis or following a significant change to the Council’s operations.</p> <p>1.3. The plan should also include the “Recovery Time Objectives (RTO)” and “Recovery Point Objectives (RPO)” for the Council’s IT systems and services into the IT Disaster Recovery procedures. The recovery objectives should be reviewed on an annual basis or following a significant change to the Council’s operations.</p>	<p>March 2023</p>	<p>The Audit, Governance and Standards Committee have been notified of the reasons for the delay at its meeting on 22 November 2022, and informed that this audit will be completed by March 2023 at the latest.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>High</p> <p>2.1. The Council should conduct a formal exercise of identifying all critical systems within their IT estate including third party hosted systems and software. A central record of all the critical systems should be maintained by the Council's inhouse IT department which should include the following (but not limited to):</p> <ul style="list-style-type: none"> - System name and location - Departmental system owner - Supplier name - Agreed RTO and RPOs - Most recent annual DRP and BCP test date - License expiry date <p>2.2. The Council should provide appropriate annual refresher training to the departmental system owners to remind them of their responsibilities with regards to systems they manage, ensuring updated continuity and recovery plans and annual assurances are received from suppliers confirming that the plans have been tested. Formal documentation is provided to Council's inhouse IT team to manage centrally.</p> <p>2.3. Furthermore, management should ensure appropriate Service Level Agreement (SLAs) for disaster recovery provision is in place with all third-party IT providers, including those for hosted IT systems. These SLAs should define the agreed services and timescales for a recovery in disaster scenario.</p> <p>High</p>	<p>Compliance Officer</p> <p>June 2022</p> <p>November 2022</p> <p>March 2023</p>	<p>We were advised by the Compliance Officer that:</p> <p>BCM toolkit created and detailed BIAs and BCP were created (only SAP outstanding, planned completion by the end of February 2023).</p> <p>Supplier DR plans also incorporated as well as the SLAs. All information provided to the Emergency Response Team.</p>
<p>3.1. The Council's IT department, in collaboration with Council's Emergency Planning and Resilience (EPR) department and STS should develop and document a Council-wide formal IT business continuity plan by identifying all critical systems within their IT infrastructure including third party applications and</p>	<p>Head of ICT</p> <p>June 2022</p> <p>November 2022</p> <p>March 2023</p>	<p>We were advised by the Head of IT that:</p> <p>BIAs completed apart from SAP which will be done by the end of February 2023. Detailed BCPs submitted to the Emergency response team. They were involved in the whole collection process.</p>





Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>the urgency with which they should be restored if disruption occurs.</p> <p>3.2. The BCP should include identification of responsibilities, identification of any acceptable loss and implementation of procedures to recover and restore the system within the required timescale.</p> <p>3.3. Furthermore, once all critical IT systems are identified, the Council should perform a documented Business Impact Assessment (BIA), which includes, but is not limited to:</p> <ul style="list-style-type: none"> • The recovery objectives (Recovery Time Objectives, Recovery Point Objectives) for the systems <p>Medium</p>		
<p>4.1. The Council and STS should conduct BIAs to develop and update their effective responses to adverse incidents within their business continuity and disaster recovery arrangements. The BIAs should be completed before any further work is undertaken on response plans to identify:</p> <ul style="list-style-type: none"> - Mission Critical Activities (MCAs), their dependencies and single points of failure - Recovery Time Objectives (RTO) for the Council's Mission Critical Activities and their dependencies - Recovery Point Objectives (RPOs) for the MCAs - Impacts over time, including operational, media interest, contractual, reputation, financial loss, commercial interests' risk <p>Medium</p>	<p>Compliance Officer</p> <p>June 2022 November 2022 February 2023</p>	<p>We were advised that:</p> <p>All BIAs completed with SAP system BIA outstanding. They have all been submitted to the Emergency Response Team. MCAs, RTO, RPOs have all been compiled.</p> <p>A meeting with the SAP supplier was held on 20 January 2023 to gather critical information.</p>
2022/23 Software Licensing Management		
<p>Processes for the management of software licences, including renewal processes, handling starters/movers/leavers with input from the Council's HR Service, liaison with business owners, storing</p>	<p>Head of Applications (London Borough of Southwark)</p> <p>July 2023</p>	<p>We were advised that the action relating to licencing procedures has been completed. The other actions will be implemented when the application register is completed. However, for some shadow IT services, this may not be possible as a central contracts register will be needed.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>licence agreements, monitoring licence utilisation, and updating central monitoring spreadsheets, should be formally documented, and communicated to all relevant staff.</p> <p>Medium</p>	<p>Head of Partnerships & Projects (STS)</p> <p>January 2023 (STS) July 2023</p>	
<p>a) An exercise to gather licensing information and evidence relating to 'line-of-business' applications is undertaken. An ongoing requirement that business System Owners provide ICT with relevant license evidence at the point of acquisition should be introduced.</p> <p>b) The process to be followed when entering /amending data regarding applications in the register is documented. This should include detail on which fields must be completed and the extent of evidence that should be retained and where, e.g., licence agreements.</p> <p>c) The corporate applications register is updated and maintained thereafter to ensure that all details are accurately captured, particularly in relation to licence details, dates of last review, IT support staff, business owners and whether the application is managed by ICT or the business area.</p> <p>d) Software licence agreements are in place, securely maintained and available for inspection when required for both the Council and STS.</p> <p>Medium</p>	<p>Head of Applications</p> <p>July 2023</p>	<p>We were advised that once the applications register is in place, the governance will be implemented by giving direct access to application owners.</p>

Recommendation and Priority Level	Manager Responsible & Due Date	Latest Implementation Status
<p>a) Management should develop a set of performance measurement metrics in relation to software licence management to ensure compliance with the terms and conditions of the licences, including:</p> <ul style="list-style-type: none"> • Renewal due dates • licenses exceeded and • under-utilisation of licences <p>b) Licence information should be regularly monitored and scrutinised to plan for demand for the ICT Service’s resources and to ensure that licence conditions are complied with.</p> <p>c) Additional consideration should be given to assigning a dedicated role/resource for the co-ordination of software application contract renewals and licence monitoring, promoting liaison between the business and ICT, and enabling more efficient monitoring of software licensing activities.</p> <p>Medium</p>	<p>Head of Applications</p> <p>September 2023</p>	<p>We were advised that a requirement specification for an application register has been prepared and three suppliers requested to provide some options. The contract will be reviewed and awarded by the end of January 2023.</p>

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

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

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LOCAL GOVERNMENT SECTOR UPDATE

JANUARY 2023

Presented to the Audit, Governance and Standards Committee on 6 February 2023

SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to Local Authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, directors and members.

FINANCE

Croydon set to withdraw rental property investment

Concerns over higher borrowing cost, have prompted the London borough to propose the withdrawal of £30m invested into a social housing property fund.

In 2013, the authority invested £29.4m in a property fund managed by social investment firm Resonance that provided an investment return and properties to house 146 tenants in the borough.

The fund matures next month, and the authority is expected to receive £36m from the investment - a 22.4% return, a [council report](#) said.

The report, going to a cabinet meeting this week, said the council could reinvest the money into a new fund homelessness fund managed by Resonance, which would give the authority a further 96 homes to house social tenants. However, the council has proposed fully divesting from the fund, and using the proceeds to help reduce the £1.3bn of external debt, and safeguard against higher interest rates. "Due to recent rises in the Bank of England base rate, the cost of borrowing for council has increased substantially and Croydon has a need to refinance a large proportion of its debt," the report said.

<https://www.publicfinance.co.uk/news/2023/01/croydon-set-withdraw-rental-property-investment>

Shrinking commercial income threaten council's budget

The reliance on falling commercial income to fill funding gaps at Woking Borough Council has placed the authority's finances at an "immediate risk", according to an internal report.

Income from the council's off-street parking and commercial estate has been used to help balance budgets in recent years. However, changes to consumer spending habits post Covid-19 have seen income drop resulting in the financial position now "becoming an immediate problem", a [council report](#) said.

The report, discussed by the council's executive on Thursday, said the economic downturn has meant that borrowing for investments made by subsidiary Thamesway and on Victoria Square regeneration, now exceed expected values. The council said it is reviewing the level of minimum revenue provision set aside for existing debt, but warned that any additional funding for debt servicing would restrict finances further. "There is a significant and substantial risk that a more prudent assessment of MRP provision should be adopted," the report said. "At this stage no additional prudent provision has been made and any change in assessment of MRP would result in an unsustainable position.

<https://www.publicfinance.co.uk/news/2023/01/shrinking-commercial-income-threaten-councils-budget>

Ministers defend £2.1bn Levelling up allocations

Senior ministers have defended the allocation of regeneration funds, amid concerns that projects in the southeast and London received preferential treatment. The Department for Levelling up,

Housing and Communities announced on Wednesday that 111 bids from the Levelling up Fund were successful, totalling £2.1bn.

While the North West of England and Wales received a large share of funding at £354m and £208m respectively, the West Midlands, Yorkshire and Humber and North East received less than £350m combined. Politicians and the local government sector criticised the funding earmarked for the East, South East and London, which received a combined £527m. Shadow levelling up secretary Lisa Nandy said the fund was “akin to the Hunger Games” pitting communities and councils against each other for money. She said on Twitter: “Many communities have lost out today. “And there is a cost to this competition. “Hard-pressed councils have to spend precious time and money submitting applications, many of which are rejected.

<https://www.publicfinance.co.uk/news/2023/01/ministers-defend-ps21bn-levelling-allocations>

Auditors warn over borough’s financial sustainability

If Hastings Borough Council cannot meet its savings targets it risks running out of reserves in three years, its external auditors have warned. An interim Grant Thornton report on the authority’s 2020-21 accounts outlined two key recommendations for the authority’s financial stability and the depth of internal audit coverage.

The firm said while additional government funding allowed the council to balance its 2020-21 budget, it has failed to identify proposals to deliver savings and additional income. The council’s latest medium-term financial strategy forecast reserves could shrink from £9.1m at the end of 2021-22 to £3.6m by the end of next year.

Darren Wells, local government director at Grant Thornton, said the absence of savings to plug forecast medium-term budget gaps and reliance on reserves represent an “unsustainable position for the council to continue to adopt”. He told the audit committee: “We are not saying that this is not recognised by the council, but we are acknowledging the challenging financial position the council finds itself in in the medium term. “We noted that your level of reserves are low and the section 151 officer acknowledges there is a risk of the general fund reserves falling below the minimum level that was set by him, potentially as early as 2023-24.

<https://www.publicfinance.co.uk/news/2023/01/auditors-warn-over-boroughs-financial-sustainability>

2022 in local government: looking back and looking forward

Iain Murray, director of public financial management at CIPFA reviews the key pinch points for local authorities 2022, and previews the key issues facing the sector next year. Speaking to PF, Murray said this year has been dominated by inflation and the impact that rising cost has had on local authorities’ budgets, combined with rising demand stemming from Covid-19. He said that while last year’s Spending Review was more generous to local government than many had expected, higher-than-expected inflation has subsequently eroded much of the funding increase, constraining budgets further while many residents are also struggling with rising prices.

“There is a bit of a double whammy effect there for local authorities and the public sector in terms of seeing increased costs, but also then seeing extra demand for services, which just makes life very difficult,” Murray said. “It is doubly difficult coming off the back of the pandemic. “Just as public services are trying to get into a reset mode trying to recover from the pandemic, they are hit by another external shock.”

Local audit continues to be a concern this year, after data from Public Sector Audit Appointments showed sign-off on more than 600 local authority accounts from 2020-21 and 2021-22 is outstanding, Murray added.

<https://www.publicfinance.co.uk/news/2022/12/2022-local-government-looking-back-and-looking-forward>

Harpur v Brazel

The judgement in Harpur v Brazel for part year workers created an issue for many employers who employ workers all year but only call on them to work as and when required. The Government has announced a consultation on holiday pay seeking views as to whether holiday pay calculations should revert to using the pre Harpur Brazel decision i.e., the percentage method.

[Please contact BDO for further advice](#)

Ministers urged to outline timetable for local audit reforms

The government auditor has urged ministers to work with local authorities to speed up accounts publication. The Department for Levelling Up, Housing and Communities must produce a timeline to help improve the timeliness of local audit reporting, experts have said.

Since the abolition of the Audit Commission in 2015, the number of local audits completed on time has reduced from 97% in 2015-16, to 12% in 2021-22.

A National Audit Office report said the reduction is due to a lack of qualified and experienced staff in local authorities and audit firms, and the complex nature of council accounts. The watchdog said audit delays have negative implications for governance and accountability in local government, and lead to the late publication of the Whole of Government Accounts.

The NAO welcomed reforms to suspend accounting requirements to improve timeliness, but said it is key that ministers work with the sector to adopt long term reforms. “Local government audit provides transparency and accountability to both taxpayers and locally elected representatives,” Gareth Davies, head of the NAO said. “It also provides assurance that local authorities’ financial management is strong enough and delivering value for money. “The Department for Levelling Up, Housing and Communities must continue working with the FRC and other key stakeholders to secure the timely production of audited accounts for local authorities.”

<https://www.publicfinance.co.uk/news/2023/01/ministers-urged-outline-timetable-local-audit-reforms>

Environment**Councils need ‘simplified funding landscape’ for net zero**

Councils will struggle to meet their net-zero goals because the funding model is too short-term, experts have warned as some authorities begin scaling back their ambitions. Most councils in England have issued climate emergencies and developed proposals to make their operations carbon neutral, either meeting or surpassing the government’s legal target of 2050.

However, these plans are resource-intensive and need upfront investment to help authorities develop projects in collaboration with local businesses and stakeholders.

Andrew Walker, head of research at think-tank the Local Government Information Unit, told *PF* the government needs to reduce the number of bidding pots that drain council resources. “We need to start moving away from the current approach, which is based around pots of funding, that is allocated in Whitehall for specific purposes, that local authority then go and administer,” he said. “Firstly, it means funding is not responsive to local needs, but it is also a huge job for local authorities to bid for these pots, which takes a load of resources, and costs a lot of money. “It would be far better if we had money available across places, that is available for local authorities to work with residents, local stakeholders and businesses to spend that money effectively.”

An independent review on net zero, led by former energy minister Chris Skidmore, said the conditions attached to the various funding pots restrict the sector’s ability to plan for the longer term.

<https://www.publicfinance.co.uk/news/2023/01/councils-need-simplified-funding-landscape-net-zero>

HOUSING

2022 in review, and key property management issues for the new year

Property experts outline the important trends in local government this year, and what authorities must consider going into the new year. Local authorities have entered the cost-of-living crisis in a weak position due to having just experienced the shock of Covid-19 and in the context of having previously gone through a decade of austerity, experts at Avison Young have said.

James Dair, principal head of real estate finance at Avison Young, told PF rising interest rates have increased future borrowing costs and added to existing local authority finance pressures. “The situation has slightly worsened compared to the same period last year,” he said. “But the problems we are seeing at the moment have been in place for a long time. “As a result, local authorities really should not be shying away from having those difficult conversations, and making difficult decisions to deliver stability going forward.”

Kimberley Grieveson, principal of land and development at Avison Young, said councils have sought out risk audits of subsidiary companies this year, to gain a greater understanding of potential pitfalls. “A number of wider questions have been raised over wholly owned housing vehicles and regeneration companies,” she said. “Local authorities want a bit of an audit to get an understanding of why we set these vehicles up, what they are doing and what they are capable of. And in some instances, whether they are fit for purpose or whether they should be looking at options to close some of these down.

<https://www.publicfinance.co.uk/news/2022/12/2022-review-and-key-property-management-issues-new-year>

Item No. 9.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, governance and standards committee
Report title:		Internal audit and audit chart	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the audit, governance and standards committee note the report, as attached at Appendix A.

BACKGROUND INFORMATION

2. This report informs the Audit, Governance and Standards Committee of progress against completion of the 2022-23 internal audit plan.

Policy implications

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

Community, equalities (including socio-economic) and health impacts

Community impact statement

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

Equalities (including socio-economic) impact statement

5. This report is not considered to contain any proposals that would have a significant equalities impact.

Health impact statement

6. This report is not considered to contain any proposals that would have a significant health impact.

Climate change implications

7. This report is not considered to contain any proposals that would have a significant impact on climate change.

Resource implications

8. If there are direct resource implications in this report, such as the payment of fees, these will be met from existing budget provision.

Consultation

9. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

10. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	Internal audit plan and audit charter

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Greg Rubins, Angela Mason-Bell; BDO	
Version	Final	
Dated	January 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Governance	No	N/A
Strategic Director of Finance and Governance	No	N/A
Cabinet Member	No	No
Date final report sent to Constitutional Team	26 January 2023	



IDEAS | PEOPLE | TRUST

A large photograph of a diverse group of people, including men and women of various ages and ethnicities, hugging and smiling outdoors. They are wearing athletic gear, suggesting a group of runners or a community group. The background is a blurred green park setting. A vertical red bar is on the right side of the image. A semi-transparent white box is overlaid on the bottom left of the image, containing the title and date.

INTERNAL AUDIT ANNUAL PLAN

LONDON BOROUGH OF SOUTHWARK

2023/24

For discussion by the Audit, Governance and Standards Committee on 6 February 2023

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1. INTERNAL AUDIT RISK ASSESSMENT

Background

BDO LLP are the appointed 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.

We report to the Council's section 151 officer on an operational basis. The Engagement Partner, Greg Rubins, is the Council's Chief Audit Executive.

Our risk-based approach to internal audit uses the London Borough's own risk management process and risk register as a starting point for audit planning as this represents the Council'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 the Council's current risk profile.

Planned approach to internal audit 2023/24

The indicative Internal Audit programme for 2023/24 is set out on pages 12 to 26.

In developing the plan, we have:

- Used the previous three-year strategic plan to consider areas previously agreed for inclusion in 2023/24
- Rolled forward audits from 2022/23, which were deferred through agreement
- Reviewed the corporate risk register, as completed to December 2022
- Considered the fairer, greener, safer Southwark Council Delivery Plan 2022 - 2026, agreed by Cabinet in September 2022
- Met with the Chief Executive, Strategic Director of Finance and Governance and attended meetings of the departmental senior management teams
- Considered emergent risks in the local government and the wider public sector, including discussions with colleagues at the London Audit Group
- Realigned the strategic and operational plan to the new Council structures under the consultation document dated November 2022.

The plan was circulated to the Corporate Management Team for comments prior to presentation to the Audit, Governance and Standards Committee for formal review and approval on 6 February 2023.

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

The plan is set within the context of a multi-year approach to internal audit planning, such that all areas of key risks would be looked at over a three to five-year audit cycle. The plan is revisited at a six-month point during the year to ensure it remains appropriate.

We have suggested future areas of focus as part of the three-year strategic internal audit plan, set out on pages 27 to 39. The tables on these pages also include audits completed in the previous three years, for reference.

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 considering the control environment identified within the Council. Where revisions are required, we will obtain approval from the appropriate Director and 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 and takes account of any operational pressures being experienced.

Variations to the Plan

We review the three-year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we propose to undertake, 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 departmental management teams and Corporate Management Team. If these were to change, or emerging risks were to develop during this period, we would take stock and evaluate our coverage accordingly.

2. OUR NEXT GEN INTERNAL AUDIT APPROACH

Our new and innovative Next Gen approach to internal audit ensures you maximise the potential added value from BDO as your internal audit provider and the expertise we bring from our dedicated Public Sector Internal Audit team and wider BDO specialist teams.

The Next Gen approach has allowed us to move away from the traditional approach of compliance auditing, transitioning in to delivering a healthy mix of assurance that is forward looking, flexible and responsive and undertaken in partnership with yourselves. The key components to this approach are outlined below and underpin our proposed plan coverage:

Core assurance

Reviews of fundamental finance and operational systems to provide assurance that core controls and procedures are operating as intended.

Soft controls

Reviews seek to understand the true purpose behind control deficiencies and provide a route map to enhance their effectiveness.

Future focused assurance

Rather than wait for implementation and then comment on identified weaknesses, we will work with you in an upfront / real time way.

Flexible audit resource

Undertake proactive work across the Council, perhaps in preparation for regulatory reviews or change management programmes.



3. MAPPING THE COUNCIL’S TOP CORPORATE RISKS TO THE INTERNAL AUDIT STRATEGIC PLAN

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
1	CR0020 (96 - High)	<p>Medium Term Financial Planning</p> <p>The continued uncertainty regarding local government funding beyond 2022-23, which is exacerbated by both the changes in the government’s fiscal policy and potentially changes to population figures following the 2021 census. The outcome of the census carried out at the height of the covid crisis creates a under estimated population size impacting on external funding, including government grants based on an artificially low base compromising the availability of resources to deliver existing council services.</p> <p>These are likely to have a significant impact on overall council funding levels which will present challenges in balancing the medium term financial strategy and in preparing and presenting longer term budgets.</p>	<p>Budgetary monitoring and reporting</p> <p>Financial planning and budget management will be considered in service / operational reviews where appropriate.</p>	<p>Financial planning Treasury management</p> <p>Financial planning and budget management will be considered in service / operational reviews where appropriate.</p>	<p>Capital programme management</p> <p>Financial planning and budget management will be considered in service / operational reviews where appropriate.</p>
2	CR0021 (96 - High)	<p>Legal and Regulatory - Government policy</p> <p>Legislative and / or financial changes, including current and future loss of funding or international factors stemming from changes in government policy, seriously impact on the delivery of balanced budgets for council services and the council’s ability to meet either the pressures created by changes in demand for services or the opportunities due to lack of capacity.</p>	<p>-</p> <p>Policy changes will be considered as part of individual service reviews where appropriate.</p>	<p>Financial planning Strategy and policy development</p> <p>Policy changes will be considered as part of individual service reviews where appropriate.</p>	<p>-</p> <p>Policy changes will be considered as part of individual service reviews where appropriate.</p>

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
3	CR0022 (96 - High)	<p>Acute Socio-Economic Factors</p> <p>Failure or lack of capacity to react to wider economic and socio-economic trends including changes to central government fiscal policy, inflation and interest rate changes, recession, changes in numbers of homeless, market forces (e.g., London housing market), international and domestic migration; all of which threaten to create either funding shortfalls or compromise the delivery of council services.</p> <p>The current levels of high inflation causing global supply chain disruption (increases in production costs, wages, raw materials, energy, transportation, labour) leads to complex procurement issues particularly in the construction and maintenance sectors such as significant increases in tender prices, lack of contractors suitably qualified and experienced to be appointed within the available budget, or lack of appetite from bidders limits the council's ability to meet targets or complete projects.</p>	<p>Council Delivery Plan</p> <p>Economic Renewal Plan</p> <p>Fairer Future Procurement Framework</p>	<p>Financial planning</p> <p>Transformation programme and change management</p>	<p>Capital programme management</p> <p>Housing Revenue Account</p>
4	CR0025 (96 - High)	<p>Cyber Security, IT, Data, and Information Management</p> <p>Total or partial loss of significant core business systems, inadequate data security and the system becoming unfit to meet business needs results in impaired service delivery and performance and impacts on resident satisfaction impacting on the reputation of the council and staff productivity and morale.</p>	<p>IT audits</p> <p>Records management</p>	<p>IT audits</p>	<p>IT audits</p>

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
5	CR0026 (96 - High)	Unforeseen Major Event An unforeseen major event occurs which affects critical services and the council's ability to deliver business as usual resulting in financial strain and impacts on the resilience and wellbeing of staff.	-	Emergency planning and resilience, and business continuity	-
6	CR0027 (96 - High)	Climate Emergency Impact of the climate change strategy creates capacity, financial or practical operational challenges and pressures with the potential for reputational damage for any failure in delivery.	-	Climate emergency	-
7	CR0028 (96 - High)	Fraud Process, control, or management failure particularly during periods of significant change, economic and social hardship and ongoing funding reductions leads to an increase in fraudulent activity resulting in financial and legislative consequences for the council and the potential for reputational damage.	Contract management Risk of fraud considered routinely as part of scoping internal audit reviews	Bribery and corruption Insurance Risk of fraud considered routinely as part of scoping internal audit reviews	- Risk of fraud considered routinely as part of scoping internal audit reviews
8	CR0029 (88 - High)	Health and Safety Failure to provide adequate provision of protection of staff, elected members, residents and all relevant stakeholders leading to their safety and / or mental health and wellbeing being compromised.	Health and Wellbeing Strategy Tree management service	Health and safety	Building safety

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
9	CR0030 (88 - High)	Failure of Key Provider The unexpected failure or non-contractual compliance of a key existing or future provider / partner / contractor resulting in serious disruption to a critical service and potential increased expenditure and need for resources to provide an alternative solution with resulting potential reputational damage.	Contract management Risk of provider failure will be considered within specific service reviews as appropriate.	- Risk of provider failure will be considered within specific service reviews.	- Risk of provider failure will be considered within specific service reviews.
10	CR0031 (99 - High)	Asset Management and Building Safety Failure to invest appropriately in the maintenance or management of the council's assets, to have clear sight of responsibility for assets plus failing to implement the requirements of the Building Safety Bill, or a sudden and unforeseen event which may give rise to unacceptable future liabilities and additional budget pressures, reputational damage, and potential legislative consequences.	Housing adaptations Statutory disrepairs	Ledbury Estate Major works	Voids My Southwark Home Owners Agency
11	CR0034 (96 - High)	Cost of Living Impact of cost of living crisis following directly after the Covid-19 pandemic and post pandemic recovery. This will continue to add a strain on the welfare benefits systems and increase demand for council services such as social care and health, welfare and emergency support and temporary accommodation. The return to higher levels of inflation, the unpredictability and specific incidences of high inflation rates (e.g. building and energy costs) create revenue and/or capital budget gaps when compared to the level of resources available, creating conflict within the council budget structure There is a risk that the necessary resources required to support business	Budget monitoring and reporting Cost of Living Fund Economic Renewal Plan / Strategy Integrated Care Board governance and partnership working	Financial planning	-

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
		and residents from the adverse impact of rising costs are not available from government and this will impact adversely on the funding of other council services and create budget gaps.			
12	CR0035 (82 - High)	Schools and Education Existing significant school budget overspend and/or deficit balances coupled with the challenge of rising numbers of surplus places in primary schools creates pressure on school budgets and ultimately council budgets plus other direct consequences as savings are identified to try and achieve a balanced position.	School internal audit programme	School internal audit programme	School internal audit programme
13	CR0036 (88 - High)	Capital Programme and Major Projects Unforeseen events and/or changes in the macroeconomic outlook results in cost changes to the council's capital programmes which will risk failure of (or the serious delay to) key capital projects including building new homes causing damage to the council's ability to meet the borough's long term priorities and resulting in short term financing or funding implications for the council.	-	Treasury management	Capital programme management
14	CR0037 (93 - High)	Health and Social Care Act Failure to ensure opportunities for further integration of health and social care system are maximised as result of Health and Care Act 2022 while protecting existing revenue sources.	Partnership governance and integration of services Commissioning of services	Financial planning Social care contract management arrangements	-

No.	CRR Ref. (and score)	Strategic Risks from your Corporate Risk Register (December 2022)	2023/24	2024/25	2025/26
15	CR0038 (88 - High)	<p>Recruitment, Retention, Resources and Capacity</p> <p>A shortage of appropriately skilled and experienced staff compromises the ability of the council to deliver services and key priorities creating increased pressure on existing staff which may result in low morale, increased stress and sickness levels and an impact in performance across all departments.</p>	Staff recruitment and vetting	Equality, diversity and inclusion	Organisational development

4. INTERNAL AUDIT OPERATIONAL PLAN 2023/24

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Children and Adult Services Directorate							
CAS03	Direct payments	Core	Director, Adult Social Care	20	Q2	Assurance over the adequacy and effectiveness of the controls relating to direct payments, and controls over the Allpay cards assigned to clients.	Previous control issues identified Cyclical review
CAS22	Supported Families Grant Claims	Core	Director, Children and Families	20	Quarterly	Confirmation for a sample of 10% of claims of eligibility under the Council's supporting families' outcomes plan. As this is a grant audit, a separate engagement letter will be issued.	Requirement of grant terms and conditions set by the Department for Levelling Up, Housing and Communities.
CAS27	Legal Fees	Core	Director, Children and Families / Assistant Chief Executive - Governance and Assurance	15	Q2	Review of the basis upon which legal fees relating to childrens' social care cases are determined, approval processes and adequacy of management information.	Statutory requirement Cyclical review Management request
CAS29	Care Leavers	Core	Director, Children and Families	15	Q3	Assurance over the arrangements for individuals leaving the Council's care, and / or transitioning from children to adult social care.	Statutory requirement Cyclical review

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
CAS51	Health and Wellbeing Strategy	Soft	Director, Public Health	15	Q1	Assurance over the adequacy of underlying plans and resourcing to fulfil the delivery of the Council's Health and wellbeing Strategy.	Corporate risk CR0029
CAS99	Service assurance / change programme review	Future	Strategic Director, Children and Adult Services (and CAB)	20	Q2 / Q3	Area to be agreed.	Management request to complete a series of service reviews within each internal audit plan year.
SCH01	School assurance programme	Core	Director, Education	135	Spring, Summer Autumn terms	Assurance on the Council's maintained schools' governance and financial systems and controls, including budget management, deficit recovery plans, procurement and purchases, payroll and income. All schools are subject to an internal audit at least once in every four years, the nature of the audit is determined in discussion with the Director of Education, finance and school improvement teams.	Corporate risk CR0035
SCH02	School follow up	Core	Director, Education	15	Spring, Summer Autumn terms	A follow up audit is carried out for those schools that received a limited assurance opinion in 2022/23.	Corporate risk CR0035
Total - Children and Adults Directorate				255	days		

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Neighbourhoods and Growth Directorate							
NG12	Estates cleaning and grounds maintenance	Core	Director, Environment	20	Q3	The Council must demonstrate that costs charged to leaseholders are accurate and appropriate. This review will provide assurance over the accuracy and completeness of costs being charged to leaseholders for estate cleaning and grounds maintenance, including accuracy of coding used and the basis for overhead apportionment to areas such as fly-tipping, graffiti & management.	Statutory duty. Cyclical audit.
NG23a	Leisure services	Future / Flexible	Director, Leisure	15	Q1	Independent review, check and challenge via attendance on the programme board of key policies and procedures. To be determined in discussion with management	Key in-housing programme.
NG23b	Leisure services	Core	Director, Leisure	20	Q4	Assurance on the operational management arrangements and controls in place for the new Council-delivered leisure services.	Key in-housing programme.
NG24	South Dock Marina	Future	Director, Leisure	20	Q1	Service review - specific scope to be determined.	New operational management. Management request to complete a series of service reviews

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
							within each internal audit plan year.
NG28	Tree management service	Core	Director, Leisure	15	Q2	Assurance over the adequacy and effectiveness of the controls to manage trees across the borough, such that the safety and wellbeing of residents is maintained.	Corporate risk CR0029 Previous issues identified, remains a directorate risk.
NG31	No recourse to public funds	Core	Director, Communities	20	Q1	An end to end review of the adequacy and effectiveness of the control framework including application of the eligibility criteria and identity checks, agreement of funding, and budget monitoring.	Previous issues identified, revisit of the area.
NG32	Tenancy management organisations (TMOs)	Core	Director, Communities	30	Q4	A review of a sample of three TMOs considering financial management, procurement, and statutory compliance, including health and safety, fire risk assessment and asbestos.	Significant funding to support the Council's housing strategy. Management require ongoing assurance.
NG41	Planning applications and s106 agreements	Core	Director, Planning and Growth	15	Q1	To review compliance with Planning Regulations and monitoring of S106 agreements for financial and non-financial commitments from developers.	Key processes underpinning the Council's regeneration and housing programmes.
Total - Neighbourhoods and Growth Directorate				155	days		

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Housing							
H14	Housing adaptations	Core	Director, Asset Management	15	Q1	Assurance over the housing adaptations process to ensure funding is spent appropriately and that effective budget monitoring is completed.	Corporate risk CR0031 Cyclical review
H17	Statutory disrepairs	Core	Director, Asset Management	15	Q2	Assurance over the statutory disrepairs programme to ensure these are completed within the required timescales and to required standards.	Corporate risk CR0031 Cyclical review
H23	Temporary accommodation	Core	Director, Resident Services	20	Q1	Assurance over the controls over temporary accommodation, including identification of property, procurement and ensuring it meets required standards.	Subject to budget recovery board in 2022/23. Continued increased demand due to cost of living issues.
H25	Housing solutions - applications and allocations	Core	Director, Resident Services	20	Q3	Assurance over the housing solutions processes including applications and subsequent allocations, to confirm they meet statutory guidance and the Council's policies and procedures.	Ongoing increased pressures on the housing market. Cyclical review.
H27	Social housing white paper	Future	Director, Resident Services	15	Q1	We will review the arrangements and plans for the Council's readiness for implementing the legislative requirements of the White Paper.	New regulatory framework.

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
H99	Service assurance / change programme reviews	Future	Strategic Director, Housing	20	To be agreed	Area to be agreed	Management request to complete a series of service reviews within the internal audit plan each year.
Total - Housing Directorate				105	days		

Finance							
F07	Budgetary monitoring and reporting	Core	Director, Finance	25	Q3	Assurance on the adequacy and effectiveness of the Council's budgetary control processes and systems, directorate, and corporate reporting. This audit will cover all directorates.	Corporate risks CR0020 and CR0034 Key financial system
F11	Mosaic	Core	Director, Customer and Exchequer Services	20	Q3	Assurance over the arrangements for recording, approving, and processing social care packages within Mosaic, such that only valid and accurate amounts are generated for processing and payment. To include a detailed follow up of the recommendations made arising from the BUPA overpayments investigation.	Key financial system Biennial review

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
F24	Accounts receivable and debt management	Core	Director, Customer and Exchequer Services	20	Q3	Assurance over the adequacy of and compliance with controls in respect of accounts receivable and debt management.	Key financial system Biennial review
F25	Payroll	Core	Director, Customer and Exchequer Services	25	Q4	Assurance over the adequacy of and compliance with controls in respect of payroll and benefits to staff	Key financial system Annual review
F27	Housing benefits	Core	Director, Customer and Exchequer Services	20	Q3	Assurance over the continuing adequacy of and compliance with controls in respect of housing benefits and universal credits.	Key financial system Biennial review
F30	Cost of Living Fund	Core	Director, Customer and Exchequer Services	15	Q3	Assurance that the Fund is being operated as intended.	Corporate risk CR0034 New fund
F56	Home ownership - garages	Core	Director, Customer and Exchequer Services	15	Q1	Review of the management of the Council's garage stock, including maintenance of ownership and collection of any fees due.	Cyclical review
F62	Fairer Future Procurement Framework	Core	Head of Procurement	25	Q3	Review of Council compliance with the new framework.	Corporate risk CR0022 Key framework Previous non-compliance issues Cyclical review

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
F63	Contract Management	Soft	Head of Procurement	25	Q3	Review of the adequacy and effectiveness of the Council's contract monitoring arrangements.	Corporate risks CR0028 and CR0030 Key framework Previous non-compliance issues Cyclical review
F71	Pensions Administration	Core	Pensions Manager	15	Q3	To provide assurance over the new systems and processes embedded following the change in system utilised.	Key financial system Annual review
F99	Service assurance / change programme reviews	Future	Strategic Director, Finance	20	To be agreed	Area to be agreed	Management request to complete a series of service reviews within the internal audit plan each year
Total - Finance Directorate				225	days		

Strategy and Communities							
SC11	Council Delivery Plan	Future	Assistant Chief Executive, Strategy and Communities	20	Q1	A review of the adequacy of the plans underpinning the Council delivery Plan, and the governance and reporting arrangements.	Corporate risk CR0022 Fundamental to Council's success

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
SC21	Equality, diversity, and inclusion maturity assessment	Soft (Advisory)	Assistant Chief Executive, Strategy and Communities	20	Q1	The purpose of the BDO Equality, Diversity and Inclusion Maturity Assessment is to help ensure an effective approach to Equality, Diversity and Inclusion becomes embedded across the Trust by highlight areas where processes could be improved. As primarily an advisory piece of work assessing the Trust's current position against the BDO Equality, Diversity and Inclusion Matrix, this assessment will not generate an assurance opinion.	New strategic oversight role
SC22	Community engagement	Future	Assistant Chief Executive, Strategy and Communities	15	Q2	A review of the Council's community engagement strategy, and how it is being used to shape future policy.	One of the highest priorities in the Council Delivery Plan is to put communities and people power at the heart of everything that the Council do.
SC42	Economic Renewal Plan / Strategy	Core	Assistant Chief Executive, Strategy and Communities	15	Q3	Assurance that the Economic Renewal Plan continues to be fulfilled in accordance with underlying deliverables.	Corporate risk CR0022
Total - Strategies and Communities				70	days		

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Governance and Assurance							
GA04	Records management	Core	Assistant Chief Executive / Director, HR, FM, and ICT	25	Q1	Assurance over the adequacy and effectiveness of the Council's controls with regards to its data retention policy and procedures, covering electronic and physically held records.	Corporate risk CR0025 Key legislated and compliance area Management request
GA11	Staff recruitment and vetting	Core	Assistant Chief Executive / Director, HR, FM, and ICT	20	Q2	Assurance over the adequacy and effectiveness of the Council's recruitment processes, including pre-employment checks and controls.	Corporate risk CR0038 Key HR system, cyclical review
GA30-49	IT audit plan	Core	Assistant Chief Executive / Director, HR, FM, and ICT	70	Q1 to Q4	The Shared Technology Service risk assessment will be reviewed and audits across the tri-borough partnership identified. Three audits are again likely to be completed by BDO in 2023/24.	Corporate risk CR0025 Key systems.
Total - Governance and Assurance				115 days			

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Southwark Integrated Care System / Commissioning							
ICS01	Partnership governance and integration of services	Future	Joint leadership role with the ICB	20	Q2	To provide assurance over the Council's role regarding the governance arrangements in place for the Integrated Care System, and that effective partnership working is in place.	Corporate risks CR0034 and CR0037 Key element of the Council Delivery plan and delivery of the objectives of the South East London Integrated Care Board objectives.
ICS02	Commissioning of services	Core	Director, Commissioning	20	Q3	To provide assurance over the procurement, contract management, and decision making with regards to social care contracts.	Corporate risk CR0037 Key element of the Council Delivery plan and delivery of the objectives of the South East London Integrated Care Board objectives.
Total - Integrated care System				40 days			

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
Contract Management and Requirements under the PSIA Standards							
CM1	Chief Audit Executive role	Core	Director, Finance	15	Q1 to Q4	Attendance at Audit, Governance and Standards Committee meetings, Audit Committee Chair liaison, monthly contract management meetings and end of year reporting and provision of Head of Internal Audit opinion.	Effective contract management and delivery.
CM2	Planning, liaison, management and in year reporting	Core	CMT and Director, Finance	25	Q1 to Q4	Creation of audit plan, meeting with Executive Directors, attendance at CMT and DMTS during the year, and in year progress reporting to the Audit, Governance and Standards Committee. Accounted for within allocations (10% of total delivered days)	Effective planning and delivery.
CM3	Recommendations Follow Up	Core	Strategic Directors and Director, Finance	25	Q1 to Q4	Follow up of all high and medium recommendations made by internal audit with management an in year status reporting to the Audit, Governance and Standards Committee. Accounted for within allocations (5% of total delivered days)	Requirement under PSIA Standards and effective assurance that issues have been addressed such that risks are being effectively managed.
Total - Contract Management & Requirements under PSIA Standards				65	days		

Plan Ref.	Area	Type of Review	Audit Sponsor	Days	Indicative Timing	Outline Scope of the Review	Reason for Inclusion
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Flexible Live Assurance - To be agreed during the year as required but could include the work shown below

FLA	To be determined as required.	Flexible	As determined	0	Q1 - Q4	<p>To be agreed through discussion. The internal audit team and wider BDO specialist resources can be drawn upon as needed during the year to respond to the following type of work:</p> <ul style="list-style-type: none"> • Transparency reporting support (already agreed - 12 days per annum) • Pay and grading review challenge / support • New emerging risks • Grant audits • System implementation (attendance at Project Groups) • Attendance at corporate groups (e.g., CMT, Corporate Governance Panel) • Ad hoc advice and support (e.g. school training and awareness, tax issues, impact of employment regulations) 	Provides flexibility to the Corporate Management team, Directors and Audit, Governance and Standards Committee should the need arise during the year.
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Summary by Council Directorates	Days
Children and Adult Services	105
Schools	150
Neighbourhoods and Growth	155
Housing	105
Finance	225
Strategies and Communities	70
Governance and Assurance	115
Strategic Commissioning / Integrated Care System for Southwark	40
Contract Management and Requirements under the PSIA Standards	65
Total days	1030

Summary by Type of Review	Days
Core Assurance	740
Soft Controls	60
Future Focused Reviews	165
Flexible Audit Resource	0*
Contract Management and Requirements under the PSIA Standards	65
Total days	1030

* As per our contractual agreement, this type of work would be delivered in addition to the agreed internal audit plan. The scope would be agreed with the Director, Finance and Service Director as required.

5. INTERNAL AUDIT STRATEGIC PLAN 2023/24 to 2025/26 (indicative)

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
Children and Adult Services Directorate									
CAS01	Adult day care provision	Director, Adult Social Care	Core					✓	
CAS02	Client finances and appointeeships	Director, Adult Social Care	Core					✓	
CAS04	All age disability service	Director, Adult Social Care	Core		✓				✓
CAS05	Direct payments	Director, Adult Social Care	Core	✓			✓		
CAS07	Older people's services	Director, Adult Social Care	Core		✓				✓
CAS08	Safeguarding	Director, Adult Social Care	Core			✓			
CAS12	Continuing healthcare	Director, Adult Social Care	Core		✓				
CAS13	Covid-19 pandemic related payments	Director, Adult Social Care	Future			✓			
CAS20	Adoption service	Director, Children and Families	Core	✓					
CAS21	Payments to children and families	Director, Children and Families	Core					✓	
CAS22	Supported families grant claims	Director, Children and Families	Core	✓	✓	✓	✓	✓	✓
CAS23	Children's quality assurance unit	Director, Children and Families	Future			✓			

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
CAS24	Foster carers	Director, Children and Families	Core					✓	
CAS25	Placements - children in care service	Director, Children and Families	Core						✓
CAS26	Safeguarding	Director, Children and Families	Core			✓			
CAS27	Legal fees	Director, Children and Families	Core				✓		
CAS28	Youth offending service	Director, Children and Families	Core		✓				✓
CAS29	Care Leavers	Director, Children and Families	Core				✓		
CAS41	Adult learning services	Director, Education	Core			✓			
CAS42	Home to school transport	Director, Education	Core			✓			
CAS43	Music service	Director, Education	Core					✓	
CAS44	Pupil registry systems	Director, Education	Core			✓			
CAS45	School admissions	Director, Education	Core	✓					✓
CAS46	Special educational needs (SEN)	Director, Education	Core			✓			✓
CAS47	Traded services	Director, Education	Future			✓			
CAS48	Travel assistance	Director, Education	Core	✓					

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
CAS49	Departmental response to schools in financial difficulties	Director, Education	Future		✓				
SCH	Schools - cyclical programme*	Director, Education	Core	✓	✓	✓	✓	✓	✓
CAS06	Mental health services (healthy adults)	Director, Public Health	Core			✓			
CAS10	Substance Misuse (healthy adults)	Director, Public Health	Core / Future	✓		✓			
CAS51	Health and Wellbeing Strategy	Director, Public Health	Core				✓		
CAS52	Children and Young People Health	Director, Public Health	Core					✓	
CAS99	Service assurance / change programme reviews	Strategic Director, Children and Adult Services	Future				✓	✓	✓
Neighbourhoods and Growth Directorate									
NG01	Highways maintenance	Director, Environment	Core		✓			✓	
NG02	CCTV	Director, Environment	Core					✓	
NG03	Enforcement	Director, Environment	Core					✓	
NG04	Licencing	Director, Environment	Core		✓				
NG05	Parking management & estates parking permits	Director, Environment	Core			✓			

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
NG06	Markets	Director, Environment	Core			✓			
NG07	Materials	Director, Environment	Core			✓			
NG08	Pest control	Director, Environment	Core					✓	
NG09	Street lighting and signs	Director, Environment	Core					✓	
NG10	Commercial waste	Director, Environment	Core						✓
NG11	Fleet contract and strategy management	Director, Environment	Core	✓					
NG12	Estates cleaning and grounds maintenance	Director, Environment	Core				✓		
NG13	Waste contract / PFI	Director, Environment	Core	✓				✓	
NG14	Trading standards, food safety and health & safety	Director, Environment	Core					✓	
NG21	Cemeteries and crematoria	Director, Leisure	Core			✓			
NG22	Library service	Director, Leisure	Core		✓				✓
NG23	Leisure services	Director, Leisure	Core		✓		✓		
NG24	South Dock Marina	Director, Leisure	Future	✓	✓		✓		
NG25	Youth service	Director, Leisure	Core						✓
NG26	Parks	Director, Leisure	Core					✓	
NG27	Play service	Director, Leisure	Core						✓

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
NG28	Tree management service	Director, Leisure	Future / Core	✓			✓		
NG29	Volunteer management	Director, Leisure / Director, Environment	Core	✓					✓
NG31	No recourse to public funds	Director, Communities	Core				✓		
NG32	Tenancy management organisations (TMOs) - cyclical compliance audits	Director, Communities	Core	✓	✓	✓	✓	✓	✓
NG33	Tenancy Management organisations - use of reserves	Director, Communities	Future			✓			
NG34	Community projects	Director, Communities	Core						✓
NG41	Planning applications and s106 agreements	Director, Planning and Growth	Core	✓			✓		
NG42	Building control	Director, Planning and Growth	Core			✓			
NG43	Movement (Transport) policy	Director, Planning and Growth	Core	✓					
NG44	Land charges	Director, Planning and Growth	Core						✓
NG45	Community infrastructure levy	Director, Planning and Growth	Core	✓			✓		

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
NG46	Major regeneration programmes & projects	Director, Planning and Growth	Core			✓		✓	
NG47	Commercial property portfolio	Director, Planning and Growth	Core		✓				✓
NG51	Climate emergency	Climate Change and Sustainability Director	Future / Core	✓		✓		✓	
NG99	Service assurance / change programme reviews	Strategic Director, Neighbourhoods and Growth	Future				✓	✓	✓
Housing Directorate									
H01	New homes programme	Managing Director, Southwark Construction	Core	✓		✓			
H02	Ledbury Estate	Director, Ledbury Estate	Core					✓	
H11	Apex asset management system	Director, Asset Management	Core			✓			
H12	Engineering services	Director, Asset Management	Core						✓
H13	Gas servicing	Director, Asset Management	Core						✓
H14	Housing adaptations	Director, Asset Management	Core				✓		
H15	Major works	Director, Asset Management	Core		✓	✓		✓	
H16	Building Safety	Director, Asset Management	Future / Core			✓			

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
H17	Statutory disrepairs	Director, Asset Management	Core				✓		
H18	Southwark building services / repairs and maintenance	Director, Asset Management	Future / Core		✓	✓			
H21	Voids	Director, Resident Services	Core			✓			✓
H22	Housing tenancies	Director, Resident Services	Core		✓				✓
H23	Temporary accommodation	Director, Resident Services	Future / Core			✓	✓		
H24	MySouthwark home owner's agency	Director, Resident Services	Core						✓
H25	Housing solutions - applications and allocations	Director, Resident Services	Core	✓			✓		
H26	Housing solutions - homelessness	Director, Resident Services	Core			✓			
H27	Social housing regulation	Director, Resident Services	Future				✓		
H99	Service assurance / change programme reviews	Strategic Director, Housing	Future				✓	✓	✓
Finance Directorate									
F01	Key Financial System - General ledger	Director, Finance	Core			✓			✓
F02	Key Financial System -	Director, Finance	Core		✓			✓	

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
	Treasury management								
F03	Key Financial System - Suspense accounts management	Director, Finance	Core		✓			✓	
F04	Key Financial System - SAP scheme of delegation and authorisations	Director, Finance	Core	✓					✓
F05	Housing revenue account (HRA)	Director, Finance	Core		✓			✓	
F06	Financial planning	Director, Finance	Core		✓			✓	
F07	Budgetary control	Director, Finance	Core				✓		
F08	Fraud protocols and fraud risk management	Director, Finance	Core	✓					✓
F09	Bribery and corruption controls	Director, Finance	Core					✓	
F10	Capital expenditure management	Director, Finance	Core			✓			✓
F11	Key Financial System - Mosaic	Director, Finance / Director, Adult Service / Director, Children and Families	Core	✓		✓	✓	✓	✓
F21	Key Financial System - Council tax	Director, Customer and Exchequer Services	Core		✓			✓	
F22	Key Financial System - NNDR	Director, Customer and Exchequer Services	Core		✓			✓	

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
F23	Key Financial System - Housing rents	Director, Customer and Exchequer Services	Core	✓		✓		✓	
F24	Key Financial System - Accounts receivable / debt management	Director, Customer and Exchequer Services	Core	✓			✓		
F25	Key Financial System - Payroll	Director, Customer and Exchequer Services	Core	✓	✓	✓	✓	✓	✓
F26	Key Financial System - Accounts payable	Director, Customer and Exchequer Services	Core	✓	✓	✓		✓	
F27	Key Financial System - Housing benefits	Director, Customer and Exchequer Services	Core		✓		✓		✓
F28	Use of consultants / payments to individuals outside of PAYE / IR35	Director, Customer and Exchequer Services	Core			✓			
F29	Corporate credit cards	Director, Customer and Exchequer Services	Core	✓					✓
F30	Cost of Living Fund	Director, Customer and Exchequer Services	Core				✓		
F31	Blue badges and freedom passes	Director, Customer and Exchequer Services	Core					✓	
F41	Registrars	Director, Customer and Exchequer Services	Core					✓	
F51	Right to buy	Director, Customer and Exchequer Services	Core			✓			

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
F52	Customer Access Strategy	Director, Customer and Exchequer Services	Future		✓				
F53	Insurance	Director, Customer and Exchequer Services	Core		✓			✓	
F54	Home ownership - mortgages	Director, Customer and Exchequer Services	Core					✓	
F55	Home ownership - charges to leaseholders	Director, Customer and Exchequer Services	Core					✓	
F56	Home ownership - garages	Director, Customer and Exchequer Services	Core				✓		
F57	Enforcement agents, rent arrears and write offs	Director, Customer and Exchequer Services	Core		✓				
F58	Contact centre	Director, Customer and Exchequer Services	Future	✓					
F61	Contracts Register	Head of Procurement (Council-wide review)	Core		✓			✓	
F62	Fairer Future Procurement Framework	Head of Procurement (Council-wide review)	Core	✓	✓		✓		
F63	Contract Management	Head of Procurement (Council-wide review)	Soft				✓		
F64	Supplier resilience	Head of Procurement (Council-wide review)	Core			✓			
F71	Pensions Administration	Pensions Manager	Core	✓	✓	✓	✓	✓	✓
F99	Service assurance /	Strategic Director, Finance	Future			✓	✓	✓	✓

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
	change programme reviews								
Strategy and Communities									
SC01	Communications and media	Assistant Chief Executive / Head of Communications and Corporate Consultation	Core					✓	
SC11	Council Delivery Plan	Assistant Chief Executive / Strategy and Change Manager (Council-wide review)	Core				✓		
SC12	Transformation, programme, project and change management	Assistant Chief Executive / Strategy and Change Manager	Future					✓	
SC21	Equality, Diversity, and Inclusion	Assistant Chief Executive - Strategy and Communities	Soft				✓		
SC22	Community engagement	Assistant Chief Executive - Strategy and Communities	Future				✓		
SC31	Emergency planning and resilience, and business continuity	Assistant Chief Executive / Emergency Planning and Resilience Manager	Core		✓			✓	
SC41	Strategy and policy development	Assistant Chief Executive / Head of Policy, Partnerships and Performance	Core					✓	
SC42	Economic Renewal Plan	Assistant Chief Executive - Strategy and Communities	Core				✓		
Governance and Assurance									

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
GA01	Risk Management	Assistant Chief Executive - Governance and Assurance	Core		✓			✓	
GA02	Hospitality and gifts register, register of interests	Assistant Chief Executive - Governance and Assurance	Core			✓			
GA03	Data Protection Compliance	Assistant Chief Executive / Governance and Assurance	Core		✓				
GA04	Records Management	Assistant Chief Executive / Governance and Assurance	Core	✓			✓		
GA11	Staff recruitment and vetting	Assistant Chief Executive / Director, HR, FM, and ICT	Core				✓		
GA12	Sickness absence management, monitoring and reporting	Assistant Chief Executive / Director, HR, FM, and ICT	Core			✓			
GA13	Organisational development	Assistant Chief Executive / Director, HR, FM, and ICT	Core						✓
GA14	Culture maturity	Assistant Chief Executive / Director, HR, FM, and ICT	Future					✓	
GA21	Corporate facilities management	Assistant Chief Executive / Director, HR, FM, and ICT	Core		✓			✓	
GA22	Health and safety	Assistant Chief Executive / Director, HR, FM, and ICT	Core		✓			✓	
GA31	Network security	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core		✓		✓		

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
GA32	IT disaster recovery and business continuity planning	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core		✓			✓	
GA33	IT shared service arrangements	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core						✓
GA34	Change control	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core				✓		
GA35	Website security and maintenance	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core				✓		
GA36	Cloud strategy	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core				✓		
GA37	Cyber security	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core	✓	✓ (reliance on third party assurance)		✓		
GA38	Cloud computing	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core			✓			
GA39	Mobile device management	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core					✓	

IA Ref.	Audit Area	Audit Sponsor	Type of review	2020-21 (for ref.)	2021/22 (for ref.)	2022/23 (for ref.)	2023/24	2024/25	2025/26
GA40	Software asset management	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core	✓		✓			
GA41	Applications Review	Director, HR, FM and ICT / Chief Digital and Technology Officer	Core			✓			
GA51	Whistleblowing	Assistant Chief Executive - Governance and Assurance	Core		✓				
GA52	Complaints	Assistant Chief Executive - Governance and Assurance	Core		✓	✓			
GA61	Electoral register and elections	Assistant Chief Executive / Head of Electoral Services	Core		✓				
GA71	Member Officer Protocol	Assistant Chief Executive / Head of Constitutional Services	Core			✓			
GA72	Members allowances	Assistant Chief Executive / Head of Constitutional Services	Core		✓				
Strategic Commissioning / Integrated Care System for Southwark									
ICS01	Partnership governance and integration of services	Director, Commissioning	Future				✓		
ICS02	Commissioning of services	Director, Commissioning	Core				✓		
ICS03	Contract Management	Director, Commissioning	Core		✓			✓	

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 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 London Borough of Southwark. 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 London Borough of Southwark (and its stakeholders) when it considers strategies, objectives, and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

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

Independence and internal audit's position within London Borough of Southwark

To provide for internal audit's independence, its personnel, and external partners report to the Head of Internal Audit, who reports functionally to the Audit Committee. The Head of Internal Audit has free and full access to the Chair of the Audit, Governance and Standards Committee. The Head of Internal Audit reports administratively to the Strategic Director, Finance (S151 Officer) who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit, 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 London Borough of Southwark.

If 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 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 countering 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 suspects 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 London Borough of Southwark officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

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

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 London Borough of Southwark

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 Council staff, recognising their other commitments and pressures
- Raising issues as they are identified, so there are no surprises and providing practical recommendations

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

90% recommendations to be accepted by management.

Information is presented in the format requested by the customer.

Audit Quality

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

Positive result from any external review.

Management and staff commitments to Internal Audit

The management and staff of London Borough of Southwark commit to the following:

- Providing unrestricted access to all of London Borough of Southwark'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 Annual Report.

Table Two: Performance measures for management and staff

Measure / Indicator

Response to Reports

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

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe.

Co-operation with internal audit

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

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Item No. 10.	Classification: Open	Date: 26 January 2023	Meeting Name: Audit, Governance and Standards Committee
Report title:		Member Induction Programme 2022	
Ward(s) or groups affected:		All	
From:		Director of Human Resources & Organisation Development	

RECOMMENDATIONS

1. That audit, governance and standards committee note:
 - a. The outcome and feedback from the Member Induction Learning Programme following the Local Elections in May 2022.
 - b. The benefit of bringing in a dedicated resource to help develop the programme and the Member Induction task and finish group.
 - c. The promotion of on-going member development at council meetings.

INTRODUCTION

2. Delivery of the Southwark Council Member Induction programme began on the 8 May, ending with the last session on the 20 October 2022 and focused on supporting Council Members in preparation for their roles within the new council. The overarching objective of the member induction programme was to provide elected members with an understanding of how to discharge their role as elected representatives of Southwark and provide a basic understanding of the governance framework of the council. It was also as equally important to support Councillors in preparation for their roles within the Council:
 - to effectively represent their communities
 - to maintain the highest standards of conduct and ethics
 - to contribute to the good governance of Southwark and actively encourage community participation and citizen involvement in decision-making
 - to deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances

BACKGROUND

3. As in 2018, a Director Level task and finish group was established to design the 2022 member induction programme to induct newly-elected and re-elected members into their roles in council business, decision-making, and how to be effective councillors when exercising their community leadership role. The overarching objective of member induction was to provide elected members with an understanding of how to discharge their role as elected representatives of Southwark and provide a basic understanding of the governance framework of the council.
4. The recommended task and finish group approach for the induction was agreed at the Corporate Governance Panel and the Audit, Governance and Standards Committee on 19 January 2022. The induction was implemented by a cross-council group of officers, and co-ordinated between Learning & Development and Scrutiny.

KEY ISSUES FOR CONSIDERATION

Implementation of the member induction programme to date

5. The member induction programme was designed and delivered using a blended learning approach, with a mixture of delivery by council officers, external specialist learning providers and core topic related e- learning modules.
6. The learning outcomes of the programme were developed to ensure that 26 newly-elected members:
 - had a robust understanding of local government and the processes involved in decision making and can discharge their responsibilities effectively.
 - had access to relevant local, departmental and thematic information in order to perform within their roles.
 - were provided with developmental opportunities to acquire and further the skills needed to fulfil their roles.
 - were provided with laptops and mobile phones
 - supported where needed in maximising the use of devices, including developing the necessary technological skills to manage their roles.
 - were introduced to chief, senior and other relevant officers and key partners.
 - were given key and consistent messages that promote effective member and officer relationships.
 - tackle all forms of discrimination, racism, inequalities and promote equality and inclusion empowering our communities.
7. The group whips and members, as well as prospective candidates for election were made aware of the planned member induction programme dates ahead of the start of the induction to promote and encourage new and returning members to attend events.
8. The following table sets out course details, attendance, method of delivery and whether the provider was internal staff or external specialists from 8 May to 20 October 2022.

Course Name	Session Start Date/Time	No. of Attendees	Delivery	Training Provider
A Brief Overview of the Exchequer Service 2022	27/06, 06/07	12	Virtual	Internal
Casework & Advocacy 2022	11/07, 13/06	14	Virtual	Internal
Climate Change 2022	21/06, 30/06	8	Virtual	Internal
Code of Conduct and Standards training for members 2022	19/05, 12/07	24	Virtual	External
Corporate Parenting 2022	15/09	4	Virtual	Internal
Effective Public Speaking as a Councillor 2022	07/06, 14/06	8	F2F	External
Effective Ward Councillor & Caseworker 2022	17/05	9	Virtual	External
Health and Social Care Bill 2022	13/09	10	Virtual	Internal
Housing Overview 2022	20/10, 07/07- Cancelled	5	F2F & Virtual	Internal
How the Council Works / Decision Making at Southwark Council 2022	06/06	15	Virtual	Internal
Introduction to Empowering Communities Programme (ECP) 2022	14/07	2	Virtual	Internal
Licensing Committee Training 2022	24/05, 13/06	5	F2F & Virtual	Internal
Local Government Finance 2022	28/06, 21/09	14	F2F & Virtual	External
Meet the Officers 2022	18/05, 05/10, 29/06- Cancelled	15	Virtual	Internal
Member/Officer Relationships 2022	11/10	3	F2F	External
Members and Social Media 2022	06/07 , 20/09	5	F2F & Virtual	External
Members' Enquiries Portal 2022	26/05/,16/06 & 23/06-Cancelled	12	Virtual	Internal
Microsoft Team Training	10/05	0	Virtual	Internal
Microsoft Team Training	12/05	0	Virtual	Internal
Microsoft Team Training	26/05	1	Virtual	Internal
Personal Safety 2022	18/07-Cancelled, 08/09	9	Virtual	External
Personal Safety for Women 2022	05/10	3	Virtual	External
Planning Committee Training for councillors 2022	23/05, 28/06	11	F2F	External
Procurement & Governance 2022	06/10	3	Virtual	Internal

Course Name	Session Start Date/Time	No. of Attendees	Delivery	Training Provider
Safeguarding 2022	22/06, 04/07,14/09	23	Virtual	Internal
Scrutiny Essentials & Introduction to Questioning 2022	08/06, 15/06	22	F2F	External
The Health of the Borough 2022	16/06, 23/06, 05/07	11	Virtual	Internal
Welcome session and signing of declaration of office 2022	09,10,11,12 /05	63	F2F	Internal
Windows 10 Laptop Training 2022	09/05	0	Virtual	Internal
Windows 10 Laptop Training 2022	11/05	0	Virtual	Internal
Your Leadership in delivering Equality, Diversity & Inclusion 2022	25/05, 19 July & 22/09- Cancelled 12/10/2022	28	F2F	External

9. The cancellations shown within the table above, were due to low numbers of members booking onto the sessions, as well as extreme weather within the summer months of 2022.

IT and digital training

10. The council's Digital Learning Partners ran face to face and virtual sessions, which covered the following;
- Drop in sessions which covered laptop orientation, mobile devices and Microsoft apps
 - Windows 10 training
 - Microsoft Teams training
 - One Two One sessions for members with technical issues
11. The Digital Learning Partners continue to provide direct support to members. Learning & Development colleagues have worked collaboratively together with IT and the Digital Learning Partners to ensure that members have the necessary equipment, understand the Southwark IT infrastructure as well as being supported with any digital skills training that they may require.

Issues that arose during the induction period and the resolutions

12. The Met office announced a heatwave warning for the 18 & 19 July which led to a cancellation of the face to face training session; Your Leadership In Delivering Equality, Diversity & Inclusion Policy to Practice. Due to previous low numbers, the decision was made to cancel the session rather than reschedule.
13. Despite the detailed planning and the engagement with members around the

design of the programme, an overarching concern is that the programme remains very intense for members, as reflected in some of the programme evaluation feedback we received from members. It is important to note that our members have work, ward member and personal commitments which are challenging, and in addition, people can only absorb so much information.

14. Following the recommendations from the 2018 evaluation of the member induction programme, the current training programme was extended until October, to allow further flexibility in the phasing of learning. The sessions on equalities and local government finance, (which may not have the same time imperative as courses on personal safety and planning for example), were scheduled to take place later in the induction.

Feedback from members about the induction programme to date

15. A short online evaluation questionnaire was sent out to all Members to obtain insight into how Members found the induction programme overall. Further information on the responses are detailed below.

Preferred Delivery Method	4 out 12 councillors preferred face to face and 5 out of 12 members preferred virtual sessions. 3 members had no preference
Topics that members felt should have been included within the induction	<ul style="list-style-type: none"> • Sessions on the various grants available for community groups. I think this would make a good training/information session • Anti-Semitism training and Islamophobia training, more detailed council service training. • I think fewer higher quality sessions and more spaced out would have been better. • Though public speaking was covered, I felt the session could have been more practical and less theoretical, and given members more chance to practice public speaking, given it is a core part of the role. • Mental health support for councillors. Session run by each cabinet member about their portfolio and the key issues within it 1 on 1 in person meeting with each new councillors with the training team to check they needed help with anything, that they had settled in ok, their future training needs • Departmental specific overviews and key upcoming topics were generally missing • Something on how to get things done as a Councillor. Longstanding Councillors have built up contact networks of Officers over many years and are able to expedite resolution of issues this way, where new Councillors have to rely on Members' Enquiries. The Meet the Officers event was most

	useful as it helped to bring to life who is responsible for which area of the Council, and who members can contact to escalate particular issues, but more information in the handbook or in a dedicate session on how the Council is structured and on who does what would be beneficial.
Induction sessions that members found most informative	<ul style="list-style-type: none"> • Your Leadership in delivering Equality, Diversity & Inclusion 2022 • Meet the Officers 2022 • Safeguarding 2022 • Effective Public Speaking as a Councillor 2022 • A Brief Overview of the Exchequer Service 2022 • How the Council Works / Decision Making at Southwark Council 2022 • Local Government Finance 2022 • Code of Conduct and Standards training for members 2022

16. The feedback received has been positive. Generally, the inductions have been received well and a sense that Members have been given an overview of council business and an understanding of their role as an elected Councillor of Southwark has been gained. Examples of comments received e.g. 'Very helpful and relevant', 'Excellent', 'Needed to be longer or provide a follow up' and 'Helpful in understanding the member role'.
17. Other feedback received however indicated that the programme is very intense, with essential or role-specific inductions running 3 to 4 evenings a week from May to July, making it difficult to maintain a work-life balance.
18. Several Members have indicated that having an online booking system, which adds the induction to their calendar, has been helpful and convenient, along with the Member e-handbook which has been a valuable resource.
19. Out of 63 members, we have only received 12 responses, despite the Chief Whips encouraging all members to complete the feedback questionnaire. For future inductions, the importance of evaluations should continue to be highlighted and offered through individual course evaluations, an end of programme evaluation and perhaps one to one feedback meetings with a number of members. Feedback from facilitators, trainers and Chief Whips should also be included as this should provide a more holistic and well-rounded understanding of the impact and recommendations for improvement of the Member Induction Programme.

Feedback from Facilitators and Trainers

20. Beth Evans -Standards, Social Media, and Effective Speaking
I really enjoyed working with Southwark officers, both in the preparation of the programme and the delivery of the sessions. Engagement with the members

who attended the sessions was excellent and feedback afterwards was very good.

I was impressed with the wide range of topics offered in the Southwark induction programme as well as the Member's Handbook, which is one of the best examples of this type of publication I have seen.

The challenges I would highlight was Member attendance at the sessions. The two face-to-face sessions in Southwark were both poorly attended (6 and 2 attendees respectively).

Although feedback was very good from those members attending, low numbers do mean less interaction and, in my opinion, a poorer experience for delegates, as well as having a cost impact for the council. I know member attendance has been an issue for all councils in terms of their induction programme.

David Weaver – Your Leadership in delivering Equality, Diversity & Inclusion 2022

There was a clear appreciation amongst members of the increasing importance of EDI in the political space and the need for more than a rudimentary understanding of the term. Much of the interest centred on questions about the Southwark context both in terms of the Southwark Stands Together (policy framework) and the main issues they feel are critical to their leadership as members. There was a lot of interest on their 'political leadership; style and approach' and the role that 'lived experience' plays. The issue of race was the most prominent EDI issue raised with many members feeling that more focused attention was required on this theme as political leaders.

Southwark officers – Overall feedback was positive and members engaged in the sessions but low numbers did affect discussions and interaction.

Next steps

21. The Head of the Chief Executive's Office and the Head of the Cabinet Office are implementing the Cabinet Member induction following the changes to Cabinet, with support from Scrutiny and Learning & Development as required. There will also be continuing training for members undertaking specific roles.
22. Member Development will be supported by Learning & Development following the induction programme in the usual way. The development programme is designed in discussion with Scrutiny and an officer in each of the political offices, who co-ordinate requirements with the Whips. This approach proved very successful in the 2017/18 year.

Community impact statement

23. This report details the implementation of the Member Induction programme following the Local Elections in May 2022. It also provides an analysis of the programme and feedback from Members. An Induction programme for newly and re-elected Members is important to ensure good governance and high standards of behaviour are maintained by elected members.

Consultation and engagement

24. The group whips, senior officers and the member induction board have all been consulted on the Induction Programme. Feedback from newly and re-elected members who undertook the Induction Programme have been included in this report.

Resource Implications

25. The cost of the Member Induction Programme has been met from the Member development budget.

Legal implications

26. The Monitoring Officer has a legal responsibility to ensure good governance and that members adhere to high standards of conduct in discharging their duties as elected representatives of their community. The Member Induction programme and the other work streams detailed in this report will support the council and the Monitoring Officer in ensuring that this duty is discharged.

Financial implications

Whilst this report does not contain any specific financial implications, the costs related to the 2022 member induction programme are set out below:

Expenditure	21/22	22/23	Total	Funding Source
Member Induction Programme Training costs	0	12,080	12,080	Revenue (Member Development) Reserves (Corporate)
Dedicated Member Induction Resource (Staffing Costs)	29,442	18,800	48,242	
Total	29,442	30,880	60,322	

All revenue costs were contained within existing business unit resources. Staffing costs were charged to corporate reserves in 21/22 with the expectation that precedent will be followed in 22/23.

The 2022 programme is now concluded, so aside from ad-hoc training costs, no further expenditure is expected in relation to this.

There are no capital implications contained in this report.

Concurrent:

Strategic Director of Finance and Governance (Ref CE22/057)

- The strategic director of finance and governance notes that there are no new immediate financial implications arising from this report and notes that all future revenue costs will be contained within existing business unit resources.

SUPPLEMENTARY ADVICE FROM OFFICERS

Director of Law and Governance

27. Article 10.3 of the Constitution provides that the Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through the provision of support to the audit, governance and standards committee. The role of the committee is to provide independent assurance of the adequacy of the council's governance arrangements.
28. The Member Induction Programme delivered provided support and good governance in decision making and ensured members are able to undertake their community representative role in a more efficient way.

Director of HR & OD

29. The Director of Human Resources & Organisation Development has and continues to allocate resource within the division across HR and Organisation Development to support members with effective tools and development opportunities to carry out their roles. Additional resource is provided at appropriate points. During the 2022 Member Induction, a dedicated resource to support the development of the programme.

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Ben Plant, Director of Human Resources and Organisation Development	
Report Author	Stephanie Bryan, Strategic Learning & Development Business Partner	
Version	Final	
Version Date	12 January 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Strategic Director of Finance & Governance	No	No
Cabinet Member	No	No
Final Report Sent to Constitutional Team		12 January 2023

Item No. 11.	Classification: Open	Date 6 February 2023	Meeting Name: Audit, Governance and Standards Committee
Report title:		Annual report on corporate risk and insurance	
Ward(s) or groups affected:		All	
From:		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 prior to the publication of the register by the Strategic Director of Finance and Governance.
3. That the audit, governance and standards committee note the refresh of the risk management policy statement and strategy.

BACKGROUND INFORMATION

4. This report provides an annual report on the council's key risk register. The key corporate risks were last reported to the committee in January 2022. This report provides an annual update.
5. This report also summarises the corporate risk management and insurance arrangements and reports on details of the council's risk profile and risk categories
6. The risk management strategy was last refreshed and reviewed by the committee in 2018 so it was felt timely to review it again to ensure it remains relevant.

KEY ISSUES FOR CONSIDERATION

Overview

7. The main purposes of the council's corporate risk management process are :
 - To set out the most significant risks to the council in the context of multiple risks identified and managed within each department.

- Where appropriate, to consolidate common risks issues especially where cumulatively they may amount to a higher risk rating
 - To ensure that single risks that may act to impact across all council services are recorded (e.g. cyber security).
 - To enable risks to be effectively managed to ensure that the council meets its corporate and business objectives; and
 - To alert the council to new or increasing risks that may impact on the council's ability to serve its residents and wider community
8. The council's corporate risk register is prepared following joint assessment by officers of all departmental risks. Given the range of services provided by the council, these lists are long and detailed and will be rated from low to high. Many risks are of a very specific nature and are unlikely to be translated directly on to the corporate risk register. However, they may be consolidated into corporate risks in so far that cumulatively they create a higher risk to the council (e.g. loss of or reduction in funding sources; additional demand pressures; etc.).
9. In the process of preparing the corporate risk register, concentration is placed upon moderation of risk ratings to ensure some consistency across the council and to confirm that appropriate mitigations are in place to manage the risk, as far as that is possible.
10. This refresh of the corporate risk register illustrates the movement in the risks from previous year. It should be noted, in particular at this time, there have been a number of corporate risks that have increased in the last 12 months. Not least, these increases in risk are symptomatic of an extremely uncertain economic position, which impacts directly on the management, operations and financing of a local authority.

Risk Categories

11. 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)
12. The 2023 split of number of risks by risk category is displayed in the table below. The categories remain at a consistent level compared with the percentages last reported.

Risk Category	Percentage (%) Jan 2022	Percentage (%) Jan 2023
---------------	-------------------------	-------------------------

Economic	8	9
Financial	21	20
Reputational	8	8
Staffing & Culture	9	9
Operational	33	34
Legal & Regulatory	21	21

Corporate Risk Register

13. Each department has a departmental risk register. These are updated via the network of departmental risk champions who work with each departmental senior management team to maintain a current risk register. Each risk register records the risk, assessment score, ownership and key controls and action plans to manage each risk.
14. Many departmental risks represent a core component of service delivery and therefore will form part of the day to day performance management of the department.
15. Each risk requires mitigations. These outline the current controls in place to manage the risk and identifies, where necessary, any further controls needed to reduce the risk.
16. These individual risk registers are stored on the council's risk management software system that are used to build the corporate risk register.
17. 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 recently repeated and the corporate risk register updated as appropriate.
18. The risks on the corporate risk register have been revised and further consolidated where appropriate since the key corporate risks were last reported to the committee. The key corporate risks also align with the unique challenges of the post pandemic era, the current economic landscape and especially the cost of living crisis.
19. 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 2022	Jan 2023
Red	76 - 100	12	18
Amber	37 - 75	57	66

Yellow	22 - 36	51	53
Green	1 - 21	31	27

20. The total number of risks in the database is currently 164, which is a slight increase in the number of risks reported in 2022, which were 151.
21. Work is ongoing within departments on reviewing their risk registers. The quarterly risk champion meetings for the past year have continued to focus on a theme at each meeting where possible, these being, building safety / building safety bill, anti-tax evasion and energy crisis. The aim of this is to build relationships across the council and explore areas not previously looked at in depth. Due to the proposed corporate restructure, a large amount of work will need to be undertaken this year with updating JCAD to reflect the departmental changes, refreshing risk registers and welcoming new risk champions into the group.
22. As noted above, the council's risk management strategy was last reviewed in 2018. As a 'standing document', much of it remains relevant but following a review, it has been refreshed so it reflects the current position and latest terminology. It is attached at appendix 3. Work continues on refreshing the supporting risk management procedures documents.

Key corporate risks

23. As set out 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. These top risks are attached in appendix 1.
24. 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.
25. In advance of reporting to the audit, governance and standards committee, these have been reported to the corporate governance panel and have been shared with CMT who are scheduled to consider the register at their meeting on 7 February. At this meeting, CMT will also consider any comments arising from this committee.

Insurance Overview

26. 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.

27. 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.
28. 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

29. 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

30. During the period 27 January 2022 to the 20 January 2023, there were 391 new public liability insurance claims made against the council, these were split as follows:

Damage to third party property	274
Personal Injury	112
Employee	5

31. 84 claims were made against property policies in the same period and these all related to the motor fleet under the motor insurance cover.
32. The volume of liability claims being made against the council remains broadly consistent with previous years.

Policy Implications

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

Community Impact Statement

34. 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

35. 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

36. Consultation has not been undertaken.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

37. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES



No.	Title
Appendix 1	The Key Corporate Risks as at January 2023
Appendix 2	Insurances – summary as at January 2023
Appendix 3	Risk Management Policy Statement and Strategy 2023


AUDIT TRAIL


Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Laura Sandy	
Version	Final	
Dated	January 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	Yes	Yes
List other officers here	N/A	N/A
Cabinet Member	No	No
Date final report sent to Constitutional Team	25 January 2023	




APPENDIX 1 – Corporate Risks and High Level Mitigations as at January 2023

Risk Description	Mitigation	Risk
<p>Acute Socio-Economic Factors</p> <p>Failure or lack of capacity to react to wider economic and socio-economic trends including changes to central government fiscal policy, inflation and interest rate changes, recession, changes in numbers of homeless, market forces (e.g. London housing market), international and domestic migration; all of which threaten to create either funding shortfalls or compromise the delivery of council services.</p> <p>The current levels of high inflation causing global supply chain disruption (increases in production costs, wages, raw materials, energy, transportation, labour) leads to complex procurement issues particularly in the construction and maintenance sectors such as significant increases in tender prices, lack of contractors suitably qualified and experienced to be appointed within the available budget, or lack of appetite from bidders limits the council’s ability to meet targets or complete projects</p>	<ul style="list-style-type: none"> • Flexible Medium Term Financial Strategy, which incorporates changing economic trends, reviewed regularly and reported to cabinet • Capital programme subject to continual review and update to ensure delivery of council priorities • Regular monitoring of performance against the council delivery programme by strategic directors and cabinet members • Active but flexible social regeneration, transformation and development programmes which may be deferred, cancelled or scaled down as high interest rates increase revenue costs • Active local economy engagement to communicate issues and to help mitigate risks to business and employment • Delivery, implementation and monitoring of new economic strategy • Regular update of fees and charges and review of new income generating schemes and grants to help mitigate financial impacts and risk of cuts 	<p style="text-align: center;">↑</p>
<p>Cost of Living</p>		




<p>Impact of cost of living crisis following directly after the Covid-19 pandemic and post pandemic recovery. This will continue to add a strain on the welfare benefits systems and increase demand for council services such as social care and health, welfare and emergency support and temporary accommodation.</p> <p>The return to higher levels of inflation, the unpredictability and specific incidences of high inflation rates (e.g. building and energy costs) create revenue and/or capital budget gaps when compared to the level of resources available, creating conflict within the council budget structure</p> <p>There is a risk that the necessary resources required to support business and residents from the adverse impact of rising costs are not available from government and this will impact adversely on the funding of other council services and create budget gaps</p>	<ul style="list-style-type: none"> • Maintenance of reserves and appropriate allocation of earmarked council reserves • Inclusion of contingency within budgets • Budget challenge process implemented and followed • Budget monitoring and regular reporting on changes in the cost of delivering services with mitigating actions taken where adverse variances are predicted and adjusting forecasts as necessary • Continual lobbying of government to meet the needs and demand pressures created by the cost of living crisis and aftermath of the pandemic • Continued close monitoring of impacts on council services and local economy • Pan London engagement to communicate with government, the voluntary sector and other agencies • Delivery, implementation and monitoring of new economic strategy • Embedding of Southwark Stands Together programme and related cohesion work to ensure fair and balanced community recovery • Engagement of senior managers with Integrated Care Boards to strengthen the partnerships between the NHS and local government to build health equality within Southwark • Cross departmental programme board to coordinate activity • Fast and effective delivery of support through Cost of Living Fund • Liaison with VCS and key partners to delivery community referral pathway • Provision of warm hubs • Assistance/support for customers to ensure income maximisation • Delivery of the energy savers scheme in partnership with CAB 	
<p>Medium Term Financial Planning</p> <p>The continued uncertainty regarding local government funding beyond 2022-23, which is exacerbated by both the</p>	<ul style="list-style-type: none"> • Financial remits presented to cabinet at least twice a year • Annual budget challenge and options appraisal process in place including budget scrutiny 	

<p>changes in the government’s fiscal policy and potentially changes to population figures following the 2021 census.</p> <p>The outcome of the census carried out at the height of the covid crisis creates a under estimated population size impacting on external funding, including government grants based on an artificially low base compromising the availability of resources to deliver existing council services</p> <p>These are likely to have a significant impact on overall council funding levels which will present challenges in balancing the medium term financial strategy and in preparing and presenting longer term budgets</p>	<ul style="list-style-type: none"> • Robust monthly budget monitoring to review progress towards targets and regular reporting to Cabinet • Creation of options which reflect the council’s priorities and ambitions and safeguard the provision of mandatory functions • Overview and Scrutiny, both regular oversight and specific budget oversight • Planning future budgets as far as possible to show financial risks related to funding uncertainty • Statutory reporting on robustness of budget estimates • Active engagements through S.151 Chief Finance Officer networks to seek clarity on future funding • Maintenance of adequate levels of balances and reserves • Consistent external audit opinions sustained over time • Oversight and scrutiny by Audit, Governance and Standards committee 	
<p>Schools and Education</p> <p>Existing significant school budget overspend and/or deficit balances coupled with the challenge of rising numbers of surplus places in primary schools creates pressure on school budgets and ultimately council budgets plus other direct consequences as savings are identified to try and achieve a balanced position.</p>	<ul style="list-style-type: none"> • Revised borough-wide strategic plan based on clear principles for right sizing the school estate through removing surplus capacity from the system. • On-going work with schools to ensure schools in financial difficulties follow the scheme of management • Creation of recovery plans plus ongoing monitoring of school budgets • Joint approach with school improvement, finance and place planning colleagues to help schools and advise on the possible solutions. • On going support is given through the help of various tools, such as income modelling tools, budget templates that have in built benchmarking. The recovery templates link in with the Integrated curriculum and financial planning (ICFP) as well as workforce planning and other tools to help schools manage the budget. 	

	<ul style="list-style-type: none"> • Training courses on budgets are provided to school business managers, head teachers and governors. 	
<p>Cyber Security, IT, Data and Information Management</p> <p>Total or partial loss of significant core business systems, inadequate data security and the system becoming unfit to meet business needs results in impaired service delivery and performance and impacts on resident satisfaction impacting on the reputation of the council and staff productivity and morale.</p>	<ul style="list-style-type: none"> • Regular oversight by shared service provider and council client to ensure that all controllable risk is managed and council services protected • Robust system back-up, firewall, anti-virus and cyber security arrangements in place through council's IT team and the managed IT shared service • Migration of software solutions to hosted managed services in the cloud • Appropriate contractual assurance for both cloud based and hosted services • Ensure all hardware and software is supported for security updates • Regular maintenance and update of disaster recovery and business continuity plans • IT capital improvement programme to continue to bring infrastructure up to an efficient and current standard • Further development of the structure and management of IT shared services arrangements with Brent and Lewisham • Effective policies, guidance, training and controls to ensure staff compliance, provided and updated regularly by the IT shared service • Robust information governance arrangements including well defined Data Protection Officer and Senior Information Risk Owner responsibilities • Training and awareness of staff both ongoing and through induction • Development of full insurance cover led by shared service as main provider of infrastructure security 	
<p>Capital Programme and Major Projects</p>		

<p>Unforeseen events and/or changes in the macroeconomic outlook results in cost changes to the council's capital programmes which will risk failure of (or the serious delay to) key capital projects including building new homes causing damage to the council's ability to meet the borough's long term priorities and resulting in short term financing or funding implications for the council.</p>	<ul style="list-style-type: none"> • Re-costing and prioritisation of the council's capital programme, reviewed by council members and reported to council assembly in January 2023 • Ongoing quality assurance of processes to mitigate scope for challenge • Close inter-departmental working with colleagues to develop overall planning strategies • Work with press office and key partners to manage communication • Key contracts and frameworks being put in place by the council • Adherence to the prudential code that regulates and contains council borrowing • Appropriate financial provision (MRP) to secure borrowing risk provided for within the HRA and General Fund accounting framework 	
<p>Legal and Regulatory – Government policy</p> <p>Legislative and / or financial changes, including current and future loss of funding or international factors stemming from changes in government policy, seriously impact on the delivery of balanced budgets for council services and the council's ability to meet either the pressures created by changes in demand for services or the opportunities due to lack of capacity.</p>	<ul style="list-style-type: none"> • Seek to influence policy through professional networks • Contributions to local, regional and professional responses to Government consultations and mandates • Departments to keep up to date with changes affecting their services • Collaborative working with other local authorities and London boroughs to fully understand any changes • Seek expert external legal and professional advice as appropriate 	
<p>Unforeseen Major Event</p> <p>An unforeseen major event occurs which affects critical services and the council's ability to deliver business as usual resulting in financial strain and impacts on the resilience and wellbeing</p>	<ul style="list-style-type: none"> • Maintain and update disaster recovery and business continuity plans • Undertake practice scenarios to check robustness of business continuity plans • Engagement with contractors and partners to check preparedness • Flexible, trained staff in place to respond to changes in demand 	

of staff.		
<p>Asset Management and Building Safety</p> <p>Failure to invest appropriately in the maintenance or management of the council’s assets, to have clear sight of responsibility for assets plus failing to implement the requirements of the Building Safety Bill, or a sudden and unforeseen event which may give rise to unacceptable future liabilities and additional budget pressures, reputational damage and potential legislative consequences</p>	<ul style="list-style-type: none"> • Housing asset management requirement reset including initial estimates of additional fire and building safety works • Programmes of planned and preventative maintenance (PPM) in place • Capital investment strategy and targeted investment in assets in place • Annual asset condition verification and effective monitoring of assets • Insurance programme in place to respond to sudden and unforeseen events • Different workstreams created and being monitored and regularly reported on to manage the implementation – workstreams include finance, data and systems, recruitment, training and skills and homeownership • Planning in place to create staff structures that will support new regulations 	↑
<p>Failure of Key Provider</p> <p>The unexpected failure or non-contractual compliance of a key existing or future provider / partner / contractor resulting in serious disruption to a critical service and potential increased expenditure and need for resources to provide an alternative solution with resulting potential reputational damage.</p>	<ul style="list-style-type: none"> • Robust procurement and contracting processes in place safeguarding against foreseen failure • Evaluation of third sector grant programmes • Contingency and business continuity plans to be maintained • Backup contractors in place where appropriate • CSO’s and procurement guidance being updated in 2023 	↑
<p>Climate Emergency</p>		

<p>Impact of the climate change strategy creates capacity, financial or practical operational challenges and pressures with the potential for reputational damage for any failure in delivery.</p>	<ul style="list-style-type: none"> • Specific capital investment to tackle climate risks and opportunities • Climate Emergency team established under Director of Climate • Cross departmental collaboration to develop the council's strategy • Engagement with stakeholders and partners • Development of council governance structures, policies and procedures to incorporate a commitment to the strategy • Development of clear and funded plan of activity to meet objectives of the council • Clear communication plan with all stakeholders • Continually review costs and affordability of programme and deliverability against 2030 target 	
<p>Fraud</p> <p>Process, control, or management failure particularly during periods of significant change, economic and social hardship and ongoing funding reductions leads to an increase in fraudulent activity resulting in financial and legislative consequences for the council and the potential for reputational damage.</p>	<ul style="list-style-type: none"> • Fraud awareness training of key risk areas as identified through the risk register • Internal audit plan aligned to key fraud risks • Proactive work undertaken by internal anti-fraud team • Corporate governance guidance followed • Active contract management by contract managers • Regular reviews of authorisation limits of staff through council's schemes of management and delegation • Crime insurance in place to minimise any financial loss 	
<p>Health & Safety</p> <p>Failure to provide adequate provision of protection of staff, elected members, residents and all relevant stakeholders leading to their safety and / or mental health and wellbeing being</p>	<ul style="list-style-type: none"> • Health and safety staffing arrangements and corporate and departmental systems regularly reviewed • Staff wellbeing programme in place and promoted • Cautionary contact warning system to be further developed • Individual risk assessments for post covid period to remain for most 	

compromised.	vulnerable employees	
<p>Health and Social Care Act</p> <p>Failure to ensure opportunities for further integration of health and social care system are maximised as result of Health and Care Act 2022 while protecting existing revenue sources.</p>	<ul style="list-style-type: none"> • Sharing knowledge and resources with health partners to deliver transformation • Ensuring local government representation and active involvement on ICB, ICS and Partnership Southwark meetings both officer and member level • Updating the council's governance framework to reflect changes as result of the Act • Creation of joint role for Place based director • Joint decision making and further aligning of strategic direction 	↑
<p>Recruitment, retention, resources and capacity</p> <p>A shortage of appropriately skilled and experienced staff compromises the ability of the council to deliver services and key priorities creating increased pressure on existing staff which may result in low morale, increased stress and sickness levels and an impact in performance across all departments</p>	<ul style="list-style-type: none"> • Provision of training and development of existing staff for upskilling and promotion • Recruitment campaigns with specialist and targeted support • Development and delivery of workforce wellbeing strategy • Ensure that capacity needs are fully defined and resourced, especially for new and ongoing major projects and council delivery programme priorities • Review of recruitment function underway to improve processes and systems • Proactive strategic workforce planning including succession planning • Promotion of Southwark as an employer via employee value proposition 	↔

APPENDIX 2 - Types of Insurance Held by the Council

Insurance Type	Description of Cover	Examples	Insurer	Extent of Cover	Annual Review/ Renewal
Public Liability	As a result of negligence of the council in carrying out its duties, 3rd parties suffer injury or loss.	<ol style="list-style-type: none"> 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
Employers Liability	As a result of negligence of the council, employees (including volunteers, members etc) have suffered injury.	<ol style="list-style-type: none"> 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
Officials Indemnity	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

Professional Indemnity	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
Libel And Slander	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
Property (General)	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
Property (Housing)	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
All Risks	Cover for various works of art and jewels.	1. Theft of mayor's regalia or work of art.	Zurich	All Council	1 October
Money	Money in storage or in transit.	1. Hold up of cash in transit	Zurich	All Council	1 October
Computers	Property damage to removable computer equipment, including servers, laptops	1. Fire at general property with damage to computer equipment.	Zurich	All Council	1 October

	etc				
Crime (Fidelity Guarantee)	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
Personal Accident and Travel	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
Out of School Activity & Pupil Personal Accident Insurance	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	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

	within the school boundaries.				
Medical Malpractice	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
Motor	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
Terrorism Cover	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
Marine Insurance	Specialist cover for marine liabilities	Cover provided includes marine operators liabilities, pollution clean up costs, removal of wreck, marine	IGI Insurance Company Ltd	South Dock Marina	1 October

		property and equipment and business interruption			
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APPENDIX 3**Risk Management Policy Statement and Strategy 2023****Risk Management Policy statement**

Southwark Council believes that managing risk, both opportunity and threat, is essential to effective local government. The council takes a proactive approach to the management of risks to support its strategies, day to day operations and overall achievement of the Council Plan and associated activities.

A certain amount of risk is necessary and unavoidable, but risk can be a positive force in developing and improving our services. However, risks need to be managed and maintaining a robust system of risk management supports the council in delivering its fairer future commitments.

In implementing this policy, the council will:

- Safeguard our residents, clients, service users, employees, members, pupils and all other persons to whom the council provides services and has a duty of care
- Protect our property, buildings, data, IT and other equipment, vehicles and all other assets and resources
- Ensure statutory compliance, and update practices when necessary
- Maintain and strengthen the services we deliver
- Maintain effective and efficient control of public funds by reducing waste, minimising our exposure to fraud and corruption, and delivering value for money
- Support the sustainability of the environment and minimise negative impacts
- Increase the likelihood of change initiatives being implemented effectively and in a timely manner
- Respond effectively in the event of an emergency.

Our success in dealing with risk has a major impact on achieving our key objectives and delivering our services. The risk management strategy sets out our approach to managing risks and how risk management will be applied across the council. This document should be read in conjunction with the risk management procedures (supporting document i).

Risk Management Strategy

Introduction

Southwark is a dynamic borough in the centre of London, a truly global city. This brings change, challenges and opportunity to all those who work here, pass through here and most of all call Southwark their home. There is a significant programme of regeneration in Southwark, such as Elephant and Castle, Aylesbury, Canada Water, Old Kent Road and London Bridge Quarter, home of the Shard, bringing thousands of new homes and jobs to Southwark.

Southwark is one of the most densely populated and diverse boroughs in the country, with a young, growing and mobile population. Over 120 languages are spoken in local schools, 66% of the under-20 population and 75% of reception-age children are from black and minority ethnic groups. Southwark is densely populated and has the seventh highest population density in England and Wales at 10,655 residents per square kilometre compared to the London average of 6,861.

The borough has a rich mix of employers, including internationally renowned names such as PwC, Ernst and Young, News UK and Hilton hotels. The business mix ranges across construction, health and social care, retail, catering, hospitality, public sector and administration, and finance and legal. However, as across London, there lies a skills challenge in getting more people into the jobs of the future and ensuring all benefit from growth and development in years to come, including the impact of leaving the European Union.

Southwark Council is committed to delivering a fairer future for its residents as set out in the Borough Plan, and this risk management strategy will allow the council to identify, assess and manage key risks effectively in order to achieve this objective.

Risk Management

Risk is the uncertainty of an event occurring that could have an impact on the achievement of objectives, and is measured in terms of impact and likelihood.

For Southwark, risk management is the process whereby the council methodically addresses these risks to the council achieving its vision, corporate and operational objectives.

Effective risk management is also an essential and integral part of effective corporate governance. It is not a separate process. Instead, it is at its most effective as an integral part of the council's business process and culture.

This risk management strategy outlines how the council will achieve its risk management objectives, whilst the detailed risk management procedures are contained in a separate document.

Risk Management Objectives

The risk management objectives are:

1. To continue to support the strategic aims and operational objectives of the council as defined through the Borough Plan by supporting the management of risks.
2. To ensure that risk management is embedded into all key council activities, including business planning and the budget process.
3. To embed and extend risk management procedures to include key partnerships.
4. To ensure that there is a transparent and prompt escalation and communication process through the council on risk management to key decision-makers, enabling them to make considered risk decisions. These will include the decision whether to eliminate where possible any unacceptable risk exposures.
5. To consider not only the risks that may affect the achievement of strategic aims and objectives but also to consider opportunities (positive risks) that may help improve the chances of succeeding in achieving those aims and objectives.
6. To achieve standards in risk management which are best practice in both the public and private sector, exceeding regulatory requirements.

Achieving Our Risk Management Objectives

The following points set out how we will achieve our risk management objectives. Supporting document i (risk management procedures) provides further detail to the following where necessary.

Embedding risk management

The risk management process is embedded through the business planning, budgeting and performance review process, and is also applied if there is a major organisational change or key project.

Risk register

The council maintains risk registers that capture the key departmental and corporate risks to the council, including areas of risk opportunity. Key risks are held on the council-wide risk management system (JCAD).

Risk identification and assessment

Risks are identified at least annually and are reviewed at least quarterly by each department, and consistently assessed using the council-wide risk assessment methodology. Risks are identified under the following risk categories: economic, financial, operational, staffing and culture, reputation and legal and regulatory compliance.

Risk assessment is measured by likelihood of occurrence and by potential impact. Impact to the council is measured under the key areas of 'life and limb', customer service, staffing and culture, compliance with regulations/ law, reputation and financial.

Risk opportunities

During the risk identification process, risk opportunities (positive risks) may also be identified. The risk management process enables opportunities to be managed alongside negative risks. Following initial identification of opportunities it may be appropriate to move these opportunities to other council business processes to maximise their positive impact.

The council's risk appetite

At department level, risks are assessed based on each department's individual tolerance to risk. At corporate level, risks are identified based on the council's overall tolerance to risk as outlined in the risk management procedures document.

In addition, systems are in place to escalate risks to senior management level in situations where the risk is assessed above a pre-approved risk tolerance which is detailed as part of the risk assessment framework.

Risk control

The council maintains an effective control framework designed to manage risks. Any risks that are an unacceptable exposure to the council are mitigated as far as possible. Where a proposed activity or venture has a residual risk that is considered unacceptable and there is no means of reducing the risk to an acceptable level the activity may be rejected. However, there may be occasions where there is a statutory obligation to undertake the activity despite the risk exposure.

There will be occasions where it is appropriate to take measured levels of risk in furtherance of the council's strategic aims and objectives. Where it is feasible and cost effective to do so, the financial impact of risks may be minimised by insurance or other third party indemnities.

Risk monitoring and review

Risks are monitored and progress against them reviewed through the performance review and challenge process which includes a quarterly review of key risks by each cabinet member within their own portfolio. Chief officers also monitor and review key council risks on a regular basis, and corporate risks are reported to the audit, governance and standards committee on an annual basis. Further details are contained within the risk management procedures (see supporting document i).

Risk and Issue escalation and reporting

There are procedures in place to ensure that chief officers, COT and relevant cabinet members receive the necessary information to monitor key risks and issues (those risks that materialise) and take considered decisions. Further details are contained within the risk management procedures.

Programme and project management

All key projects will incorporate risk assessment at the project initiation phase and regularly through the life-time of the project. The council's accepted robust project management methodology is used across the council to support the project management process including a requirement to identify and monitor risks.

Partnerships and contracts

Partnerships are an area of increasing importance to how the council operates and as such there may be key risks within the partnerships that could potentially have an adverse effect on the council. Therefore, the council will be working increasingly with partnerships to develop and implement robust risk identification and assessment arrangements. These can be recorded and monitored on JCAD.

Key contractual arrangements also form part of the risk identification and assessment process.

Emergency planning and business continuity planning

Key risks that may result in the council's emergency arrangements being invoked are contained within the council's risk register. The council has emergency and business continuity plans in place to reduce the potential impact to the council if these risks were to materialise.

Health and Safety

The Southwark Safety Management System has placed the identification of risk control strategies to eliminate or control hazards at the centre of our health and safety arrangements and processes. Significant identified risks are recorded on JCAD.

Performance management and external scrutiny

The risk management process will be regularly audited against industry best practice by internal audit. In addition, external audit will be undertaken by Grant Thornton. The process will be continuously improved in line with this feedback. In addition key risk management documents will be presented to the audit, governance and standards committee for formal review.

Risk management resource

Sufficient resources are devoted to risk management to ensure that it is effectively undertaken. The corporate risk and insurance manager reports to the departmental finance manager, corporate who reports to the strategic director of finance and governance. The network of departmental risk champions supports the corporate risk and insurance manager.

The JCAD system software stores the risk registers and supports the management of risk throughout the council, and is accessible to those with responsibility for risk management. The risk-related disciplines such as internal audit, health and safety, insurance, emergency and business continuity planning, performance management and project management all contribute to the council's risk management process.

At departmental level the risk management process is supported and actively promoted by a network of departmental risk champions. Risk champions across the council meet quarterly to discuss risk and update the corporate risk and insurance manager with any risk-related developments within the department.

Risk management training is available to council staff and members commensurate with their role and their responsibility for risk management.

Responsibility and ownership for risk

The authority for and responsibility to take decisions involving risk will be appropriate to the level of risk and is defined and communicated within the risk management procedures document. There is a council wide risk champion at senior officer level. The senior officer risk champion is currently the strategic director of finance and governance, Duncan Whitfield. In the past, there has also been a cabinet member risk champion. It should be noted in the context of the corporate restructure currently underway, the roles of risk champion and cabinet member responsibility will be reviewed and this document updated as appropriate.

The senior officer risk champion has responsibility for overseeing risk management and has delegated specific responsibilities for components of the risk management process. Risk is aligned to the council's performance review and challenge process, with relevant lead cabinet members and strategic directors taking ownership of, and being held accountable for, the delivery of borough plan measures and milestones including the mitigation of risk that would limit achievement of priority outcomes.

The risk management policy statement and strategy are submitted to the council's audit, governance and standards committee for review and comment.

The information contained above forms part of the overall governance of the council. In addition, a report is presented to the audit, governance and standards committee each year, to provide an annual update on key risks, and other reports on risk management are presented as needed.

Item No. 12.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, governance and standards committee
Report title:		Review of complaints made under the Members' Code of Conduct in 2022	
Ward(s) or groups affected:		All	
From:		Director of Law and Governance	

RECOMMENDATIONS

1. That the committee notes this report.

BACKGROUND INFORMATION

2. The Localism Act 2011 provided for local authorities to establish their own local arrangements for approving a members' code of conduct, and for dealing with any complaints about the code. There was also a statutory requirement for local authorities to appoint independent persons to advise the council on any complaints. The Act abolished the national standards regime that was in place at the time.
3. Following the implementation of the Act, Southwark Council formed a standards committee and appointed independent persons.
4. The responsibility for standards activity including the monitoring of the operation of the members' code of conduct passed to this committee in April 2016.

KEY ISSUES FOR CONSIDERATION

5. The Act requires local authorities to have arrangements to investigate allegations of breaches of the code of conduct by members and make decisions on them. The current arrangements were last updated at the meeting of this committee on 22 November 2022. The arrangements have continued to include provision for the monitoring officer to agree local solutions to resolve complaints without formal investigations in appropriate cases and to determine at an initial stage in the process whether any further action is needed in any particular case.
6. Since 2012 the monitoring officer has agreed to analyse the complaints data and report this information to the appropriate committee annually. The data for 2022 is shown in appendix A alongside comparative data for the previous three years.

7. Where multiple complaints have been received about the same member on the same subject, these have been treated in the statistics as representing one complaint. Where a number of members have been included in a single complaint again this has been recorded as one complaint.

Commentary

8. There was an increase in the number of complaints received in the last year with the highest number since 2016. As has usually been the case in previous years, the complaints have come from members of the public. The monitoring officer has dealt with all the complaints without requiring any formal investigations this year and no breach findings have been made in any of the cases. In five of the ten cases the monitoring officer has decided that no breach of the code has been identified from the evidence presented to her.
9. 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 acknowledging that their conduct was unacceptable and offering an apology, or other remedial action by the authority.
10. Three of the complaints have been resolved in this way this year by the monitoring officer as a result of councillors providing apologies. It should be noted that where an apology is given there is no finding that there has been a breach of the code.
11. The complaints have been raised in a number of different contexts including alleged lack of engagement by councillors with members of the public, and complaints about inappropriate remarks made in correspondence, social media or in meetings. A number have related to differences of views between members of the public and councillors over locally contentious issues which invariably involve robust communication.
12. Where relevant the monitoring officer has sought the views of one of the independent persons prior to making her decision. Their views and consideration has been very valuable in assisting the monitoring officer in assessing complaints and finding solutions. One independent person stepped down at the beginning of the year. The remaining two independent persons have been in post for four years, and have had their appointments extended. This is for another three years in one case, and the other has agreed to continue until the end of March 2023. The recruitment of two new independent persons is underway and due to be finalised with a view to a decision being made at council assembly in March
13. The assistance of the Whips has also been helpful in producing local solutions or avoiding formal solutions.

Code of conduct training

14. Following the elections in May last year, the induction training provided to

councillors included a session on the members' code of conduct and ethical standards. The training was provided by an expert external trainer together with our in-house team. The code of conduct training was attended by 23 members and a recording was also made available for members to watch in the event that they could not attend. The training looked at the provisions of the code and gave some case examples to assist members in avoiding any possible breaches.

Code of Conduct review

15. The Local Government Association published a suggested updated model code of conduct in 2020, amended in 2021, for councils to consider whether to adopt. The monitoring officer intends to consult members during the year on whether any changes should be made to Southwark's current code which has been in place since 2012. A report will be brought to a future meeting of the committee with options for members to consider.

Policy framework implications

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

Community and equalities (including socio-economic) impacts

17. The council has an open and transparent process for anyone to make a complaint against a member when they consider that the code of conduct has not been maintained. Information about the process is accessible on the council's website and there are arrangements in place for members of the public to make complaints in writing, or orally if necessary due to any disability or language difficulties.

Health Impacts

18. There are no specific identified health impacts resulting from the matters addressed in this report, so a health impact statement is not considered necessary.

Climate change implications

19. There are no specific climate change issues arising from the matters dealt with in this report. .

Legal implications

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

Financial implications

21. The resources needed for dealing with the complaints process have been maintained within current budgets

Consultation

22. There has not been any consultation in relation to this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Members' code of conduct and complaints procedure	https://www.southwark.gov.uk/council-and-democracy/councillors-and-mps/your-councillors?chapter=2 160 Tooley Street PO Box 64529, London, SE1P 5LX	Constitutional team; constitutional.team@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Code of Conduct Complaints 2019-2022

AUDIT TRAIL

Lead Officer	Doreen Forrester-Brown Director of Law and Governance	
Report Author	Allan Wells, Specialist Governance Lawyer	
Version	Final	
Dated	24.1.23	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Incorporated
Strategic Director of Finance & Governance	No	No
Cabinet Member	N/a	N/a
Date final report sent to Constitutional Team		25 January 2023

Appendix 1

Members' Code Of Conduct Complaints 2019-2022

Table 1 Outcomes

	2022	2021	2020	2019
Total number of complaints	10	6	4	1
No jurisdiction to deal with complaint	1	0	0	0
Insufficient information to deal with complaint	1	0	0	0
No breach of code identified at initial stage	5	4	2	0
Local resolution by monitoring officer at initial stage	3	1	1	1
No breach found after investigation	0	0	1	0
Local resolution by monitoring officer after investigation-reported to sub-committee	0	1	0	0
Determined by sub-committee	0	0	0	0

Table 2 Source of complaints

	2022	2021	2020	2019
Member of the public	10	5	4	1
Other Southwark councillor	0	1	0	0
Southwark Council officer	0	0	0	0

Item No. 13.	Classification: Open	Date: 27 January 2023	Meeting Name: Audit, governance and standards committee
Report title:		Report on the operational use of the Regulation of Investigatory Powers Act 2000	
Ward(s) or groups affected:		All	
From:		Director of Law and Governance	

RECOMMENDATION

1. That the committee note the information relating to the use of RIPA in 2022.

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 authority's functions.
4. The audit governance and standards committee and its predecessor committee has agreed to consider annual reports on the use of RIPA since 2010

KEY ISSUES FOR CONSIDERATION

5. The council's use of these powers is subject to regular inspection and audit by the Investigatory Powers Commissioner's Office 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 was due to be inspected again in March 2020 but this did not take place due to the COVID public emergency. A virtual inspection took place in 2021 by an inspector who examined the council's use of RIPA powers in relation to directed surveillance and using covert human intelligence

sources (CHIS). The information provided demonstrated at the time a level of compliance that removed for the time being the requirement for a physical inspection.

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 regular reviews (usually monthly) 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 2022 to 31 December 2022. Appendix B shows the usage for the period 1 January 2016 to 31 December 2021 for comparison purposes.
10. Officers involved in the authorisation process are provided with relevant training very two years. This was last organised in 2021 and will be taking place again later this year.
11. The council's RIPA policy and procedures were last fully reviewed in August 2019 with some updates to details of officers made in the last year.

Community impact statement

12. The use of these powers under RIPA enhances the effective operation of statutory investigatory functions within a legal framework that ensures appropriate safeguards are met. These functions are directed at providing safeguards to the community at large but are often required to enable those who are vulnerable to be protected from criminal anti-social activity who may also have one or a number of protected characteristics as set out in the Equality Act 2010.

Health impact statement

13. There are no specific identified health impacts resulting from the contents of this report.

Climate change implications

14. There are no specific climate change implications anticipated as a result of the issues discussed in this report.

Legal implications

15. The legal context is set out in the body of the report.

Financial implications

16. The use of RIPA powers is ancillary to investigations carried out in services and in the context of their own budgeted resources. No additional resources are identified as needed from this report.

Consultation

17. No consultation has been carried out in compiling this report.

BACKGROUND DOCUMENTS

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

APPENDICES

No.	Title
Appendix A	1 January 2022 to 31 December 2022
Appendix B	1 January 2016 to 31 December 2021

AUDIT TRAIL

Lead Officer	Doreen Forrester-Brown, Director of Law and Governance	
Report Author	Allan Wells, Specialist Governance Lawyer, Law and Governance	
Version	Final	
Dated	20 January 2023	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Governance	Yes	Incorporated
Strategic Director of Finance and Governance	No	No
Cabinet Member	N/a	N/a
Date final report sent to Constitutional Team		27 January 2023

APPENDIX A

<i>Reference</i>	<i>date authorisation agreed by JP</i>	<i>purpose</i>	<i>length of investigation</i>
EN91	27.10.2022	Surveillance concerning sale of illegal skin lightener	Cancelled 19.1.2023

APPENDIX B

EN75	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016
EN76	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016
EN77	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016
EN78	13.01.2016	surveillance concerning sale of unsafe food	Terminated 12.02.2016
EN79	29.11.2016	sale of counterfeit tobacco	Terminated 23.01.2017
EN80	29.11.2016	Sale of counterfeit tobacco	Terminated 24.02.2017
EN81	24.03.2017	Surveillance concerning the supply of illegal lightening cosmetic products	Terminated 08.05.2017
EN82	13.07.2017	surveillance concerning prolific fly tipping	Terminated 12.10.2017
EN83	24.03.2017	surveillance concerning sale of illegal skin lightener	Terminated 08.05.2017
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 illicit tobacco	Terminated 21.08.2018
EN86	It was decided to withdraw this application due to operational reasons before authorisation		
EN87	15.10.2018	Surveillance of suspect suspected of selling illicit tobacco	Terminated 13.12.2018
EN88	05.09.2019	Surveillance of suspect suspected of selling illicit tobacco	Terminated 11.12.2019
EN89	17.01.2020	Surveillance of suspect suspected of selling illicit tobacco	Terminated 17.3.2020
EN90	13.10.2021	Surveillance of suspect suspected of selling illicit tobacco	Terminated 10.01.2022

Item No. 14.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, governance and standards committee
Report title:		Annual work programme for the following year (2023-24)	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATIONS

1. That the audit, governance and standards committee consider the proposed draft work programme for 2023-24 and whether they would wish to make amendments to arrangements as set out in paragraphs 8 to 10 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 2023-24 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 2023-24.

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 2022-23 revised work programme as a starting point, a draft programme for 2023-24 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 2023, July 2023, September 2023, November 2023, February 2024 and on to June 2024.

Areas of governance for review

8. From 2020-21 onwards, the committee have 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. It has been suggested that members consider whether there are specific areas of interest, potentially arising from internal audit updates, that they would welcome a more in-depth conversation on, as an alternative to or in addition to the current governance conversations with chief officers.
11. 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 work plan itself is a guideline, and items can be amended, added, or removed as required throughout the year.
12. 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.
13. 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.
14. 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.

Policy implications

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

Community, equalities (including socio-economic) and health impacts

Community impact statement

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

Equalities (including socio-economic) impact statement

17. This report is not considered to contain any proposals that would have a significant equalities impact.

Health impact statement

18. This report is not considered to contain any proposals that would have a significant health impact.

Climate change implications

19. This report is not considered to contain any proposals that would have a significant impact on climate change.

Resource implications

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

Consultation

21. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

22. 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 2023-24

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	20 January 2023	
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	20 January 2023	

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 2023-24

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

Item	Meeting date						Commentary
	June 2023	July 2023	Sept 2023	Nov 2023	Feb 2024	June 2024	
General							
Annual work programme for following year					✓		Draft work programme for the committee – Constitutional Officer
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, Internal audit charter					✓		Proposed internal audit programme for future years, and to agree the internal audit charter – Strategic Director of Finance and Governance
Annual report and opinion on internal audit and anti-fraud		✓					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, and annual progress report on the anti-fraud services

Item	Meeting date						Commentary
	June 2023	July 2023	Sept 2023	Nov 2023	Feb 2024	June 2024	
							and special investigations team - Fraud manager
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
External Audit activity							
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
Value for Money report (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

Item	Meeting date						Commentary
	June 2023	July 2023	Sept 2023	Nov 2023	Feb 2024	June 2024	
							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
Audit update report	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item – update on work being planned or undertaken – Grant Thornton
Governance and standards activity							
Annual governance statement (with accounts)	✓	✓					A mandatory statement setting out the council's governance arrangements – Departmental Finance Manager (Corporate and Central Services)
Retrospective approvals to contract decisions	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	Standing item, if required – contract standing orders require retrospective contract decisions over £100k for the purpose of obtaining guidance to inform future decision making – Director of Law and Governance
Risk management and insurance					✓		Report on key risks – Head of Financial and Information Governance

Item	Meeting date						Commentary
	June 2023	July 2023	Sept 2023	Nov 2023	Feb 2024	June 2024	
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
Establishment of sub-committees	✓						Report to establish conduct and civic award 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

Item	Meeting date						Commentary
	June 2023	July 2023	Sept 2023	Nov 2023	Feb 2024	June 2024	
Member induction and training				✓			Report on member induction and training (pre-election years and if required in other years)
Areas of governance for review during year		(✓)	(✓)	(✓)	(✓)		To invite 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
Accounts							
Statement of accounts	✓	✓					Annual statement of accounts for consideration and approval – Strategic Director of Finance and Governance
Treasury Management							
Review of the policy and strategy				✓			Review of treasury management policy and strategy – Strategic Director of Finance and Governance

Item No. 15.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, Governance and Standards Committee
Report title:		Annual report on the work and performance of the audit, governance and standards committee in 2022-23	
Ward(s) or groups affected:		All	
From:		Audit, governance and standards committee	

RECOMMENDATIONS

1. That the audit, governance and standards committee forward this report on its work and performance in 2022-23 to all councillors, subject to any amendments it wishes to make.
2. That the committee consider the template self-assessment form and respond to the statements.

BACKGROUND INFORMATION

3. The purpose of this report is to review this committee's work and performance in 2022-23.
4. 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.
5. 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 are as covered or to identify any concerns.
6. 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

7. 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.
8. 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.
9. The audit, governance and standards committee agrees a work programme each year. A summary of the committee's business during 2022-23 in relation to its areas of responsibility is set out below.

Audit activity

Internal audit

10. 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 internal auditors' annual report on the work of internal audit and anti-fraud 2021-22. Members had questions for both officers and the engagement manager for the auditors, BDO.

External audit

11. The committee received regular progress reports from the external auditor (Grant Thornton) throughout the year. It also considered Grant Thornton's audit plans for 2022-23 for both the council and the Southwark pension fund, and the audit findings reports and annual audit letter for 2021-22.
12. The committee considered the external auditor's annual fees for 2022-23 for both the council and the Southwark pension fund. 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.

13. The external auditor has reported on their work for the financial year 2022-23 regularly.

Accounts

14. The committee considered a draft of the 2020-21 statement of accounts at its October 2022 meeting. Due to a national delay on audit statements, the final statement of accounts was presented at the February 2023 meeting.

Governance and standards activity

15. The committee continued its approach to the consideration of governance matters for 2022-23. It completed the discussions with strategic directors on their department's governance arrangements, and considered specific areas of interest.
16. In July 2022, Caroline Bruce, the strategic director of environment and leisure, attended the committee. In October 2022, Duncan Whitfield, strategic director of finance and governance, updated the committee on local government finance across London and the country. In November 2022, Michael Scorer, the strategic director of housing and modernisation, attended the committee.
17. In February 2022, the committee heard from Althea Loderick, the chief executive, on her first year in post.
18. The committee have also had an in depth series of reports on the in-housing of the council's leisure contract, and interviews with officers discussing the outcomes of internal audit reports.
19. The work on corporate risk and insurance for 2022-23 has been supported by the council's internal auditors and integrated into their regular update reports.
20. The committee's annual report on whistle blowing outcomes has been considered by the committee at its February 2023 meeting.
21. A report on the council's use of RIPA (Regulatory Investigatory Powers Act) and the OSC (Office of Surveillance Commissioners) inspection of Southwark has been considered by the committee at its February 2023 meeting.
22. The establishment of the two standards sub-committees (civic awards and conduct) were approved by the committee in July 2023. 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 as gender balanced as possible; in that two of the community representatives serving on the sub-committee should ideally be women.
23. The Civic Awards 2023 were launched in December 2022, and include the new Diversity Award championed by members of the audit, governance and

standards committee. The criteria for this award will be considered further, to ensure it is fit for its intended purpose.

Treasury management

24. Members received a report on the revised treasury management policy statement, and considered the council's 2022-23 treasury management strategy statement in November 2022.

Effectiveness of the audit and governance committee

25. 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.
26. 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 responses have been forwarded to the strategic director of finance and governance.

Training

27. 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.
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 and 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
 - e) Ongoing updates on the financial impact of the Covid-19 pandemic.
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 2022-23 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 2023-24 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, equalities (including socio-economic) and health impacts

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.

Equalities (including socio-economic) impact statement

38. There are no direct equalities implications in the proposals in this report.

Health impact statement

39. There are no direct health implications in the proposals in this report.

Climate change implications

40. There are no direct climate change implications in the proposals in this report.

Resource implications

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

Conclusion

42. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**Strategic Director of Finance and Governance**

43. 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.
44. 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

Background Papers	Held At	Contact
CIPFA Audit committees – Practical Guidance for Local Authorities and Police 2018 edition	Finance and Governance, Second Floor, Tooley Street	Geraldine Chadwick

APPENDICES

Number	Title
1	Self-assessment form

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	20 January 2023	
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	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team		20 January 2023

Item No. 16.	Classification: Open	Date: 6 February 2023	Meeting Name: Audit, Governance and Standards Committee
Report title:		Appointment of non-voting co-opted members of the civic awards sub-committee for 2022-23	
Ward(s) or groups affected:		All	
From:		Community Projects Manager	

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 to select three of the nominations plus the position held for the Civic Society.

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. On 22 November 2022, the audit, governance and standards committee agreed criteria for selecting co-opted members:
 - Invitees should
 - Have a good understanding of the borough and its diverse communities
 - Be familiar with the of borough's Voluntary and Community Sector (VCS)

- Be able to understand and evaluate nominations for Civic Awards
- Not be a nominee or represent an organisation that is nominated.

As a group, the independent members should

- Have a gender balance
 - Reflect the cultural and ethnic diversity of the borough
 - Include at least one person under 25.
6. It is necessary for the audit, governance and standards committee to appoint the co-opted members formally; and the names of the volunteers will be presented in the closed report.

KEY ISSUES FOR CONSIDERATION

7. 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.
8. Members need to be satisfied that the co-opted membership nominations meet the appropriate criteria.

Resource implications

9. There are none.

Community impact statement

10. 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 http://moderngov.southwark.gov.uk/ieListMeetings.aspx?CommitteeId=425	Virginia Wynn-Jones 020 7525 7055

APPENDICES

Appendix	Title
Appendix 1	Nominees – see CLOSED AGENDA

AUDIT TRAIL

Lead Officer	Stephen Douglass, Director of Communities	
Report Author	Martin Kovats, Community Projects Manager	
Version	Final	
Dated	18 January 2023	
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	18 January 2023	

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

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Councillor Barrie Hargrove (Chair) 1
 Councillor Graham Neale (Vice-chair) By email
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