

Agenda

REGULATORY AND AUDIT COMMITTEE

Date: Thursday 4 April 2019
Time: 9.00 am
Venue: Mezzanine Room 1, County Hall, Aylesbury

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Agenda Item	Time	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	09:00	
2 DECLARATIONS OF INTEREST To disclose any Personal or Disclosable Pecuniary Interests	09:05	
3 MINUTES Minutes of the meeting held on 21 November 2018 to be confirmed as an accurate record and signed by the Chairman.	09:10	5 - 12
4 2019/20 DRAFT BUSINESS ASSURANCE STRATEGY To be presented by Ms M Gibb, Head of Business Assurance	09:15	13 - 28

5	ANNUAL GOVERNANCE STATEMENT To be presented by Ms M Gibb, Head of Business Assurance	09:40	29 - 34
6a	GRANT THORNTON AUDIT PLAN To be presented by Mr S Turner, Engagement Manager, and Mr Iain Murray, Engagement Lead, Grant Thornton.	09:50	35 - 50
6b	GRANT THORNTON PENSION FUND AUDIT PLAN To be presented by Dr T Ball, Audit Manager and Mr Iain Murray, Engagement Lead, Grant Thornton	10:10	51 - 62
7	RISK MANAGEMENT GROUP UPDATE To be presented by Ms M Gibb, Head of Business Assurance	10:30	63 - 66
8	REGULATION OF INVESTIGATORY POWERS ACT (RIPA) UPDATE To be presented by Mr J Hollis, Head of Legal and Compliance	10:40	67 - 98
9	COMPLIMENTS AND COMPLAINTS To be presented by Mr J Hollis, Head of Legal and Compliance	11:00	99 - 108
10	DATE AND TIME OF NEXT MEETING Tuesday 21 May, 2019, 8:30, Mezz 1	11:30	
11	EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)		
12	BUSINESS ASSURANCE STRATEGY UPDATE		109 - 132

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Alice Williams on 01296 383042, email: alicwilliams@buckscc.gov.uk

Members

Mr R Bagge
Mr W Bendyshe-Brown
Mr T Butcher (VC)
Mr D Dhillon

Mr S Lambert
Mr D Martin (C)
Mr P Martin
Mr D Watson

Minutes

REGULATORY AND AUDIT COMMITTEE

MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON WEDNESDAY 21 NOVEMBER 2018 IN MEZZANINE ROOM 1 - COUNTY HALL, AYLESBURY, COMMENCING AT 9.40 AM AND CONCLUDING AT 11.40 AM.

MEMBERS PRESENT

Mr R Bagge
Mr T Butcher (Vice-Chairman)
Mr D Dhillon
Mr A Hussain
Mr D Martin (Chairman)
Mr P Martin
Mr D Watson

OTHERS IN ATTENDANCE

Mr R Ambrose, Director of Finance & Procurement, Service Director, Finance and Commercial Services
Ms J Edwards, Pensions and Investments Manager
Ms M Gibb, Head of Business Assurance
Mr P Grady, Engagement Lead, Grant Thornton Auditors
Ms S Harlock, Audit Manager
Ms C High, Corporate Training Advisor
Mr J Hollis, Head of Legal and Compliance, Buckinghamshire County Council,
Buckinghamshire County Council
Mr L Jeffries, Director of Operations
Mrs S Murphy-Brookman, Director of HR and OD
Mr I Murray, Manager - Assurance, Grant Thornton Auditors
Ms G Naeem, Committee Assistant
Ms J O'Neill, Resourcing Manager
Mr A Rush, Interim Deputy Director of Finance
Mr T Slaughter, Executive, Grant Thornton Auditors
Mr M Ward, Manager, Grant Thornton Auditors

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from Mr B Bendyshe-Brown.



Changes in membership:

- Mr M Farrow had stepped down from the committee following his resignation.
- Mr P Grady, Grant Thornton, has stepped down from his role as Engagement Lead at Buckinghamshire County Council and had been replaced by Mr I Murray.

The Chairman acknowledged the support, guidance and assistance provided to the committee by Mr Grady.

The Committee welcomed Mr I Murray from Grant Thornton who will replace Mr Grady; and Mr A Rush, Deputy Director of Finance and Deputy Section 151 Officer who has replaced Mr R Schmitt.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The Chairman highlighted a grammatical error on page 6 that had been rectified following the meeting held on 12 September 2018.

RESOLVED: The minutes of the meeting held on 12 September 2018 were AGREED as an accurate record and signed by the chairman.

4 TREASURY MANAGEMENT UPDATE

Mr A Hussain, Deputy Cabinet Member for Resources and Ms J Edwards, Pensions and Investment Manager attended the meeting to present the Treasury Management Update report and the Prudential Indicators for 2018/19 to 2021/22.

The report set out the following recommendation:

The Committee RECOMMENDS to Council the Treasury Management Update Report and the Prudential Indicators for 2018/19 to 2021/22.

Mr Hussain highlighted the following points:

- The council approved the 2018/19 Treasury Management Strategy at its meeting on 22 February 2018.
- The Council's investment priorities were the security of capital and liquidity of its investments.
- UK Consumer Price Inflation (CPI) for August 2018 rose to 2.7% year, above the consensus forecast.

- The Council had net borrowing of £216.2m arising from its revenue and capital income and expenditure.
- A repayment of £10m was due to be paid to the Public Works Loan Board (PWLB) on 14 February 2019.
- The Council had seven short term loans in place totalling £45m ranging in value from £5m to 15m, with maturities from 1 to 6 months.
- The Council may potentially purchase another commercial property, an increase in the Prudential Indicators was proposed to facilitate purchasing more commercial properties later this year.
- The Council pre-paid 3 LOBO loans, savings over the period of 25 years of £10.4m are projected.
- The committee raised and discussed the following points:
- The Chairman asked about the Treasury Management report recommendation rationale for delivering 2020/21 figures and if professional advice had been available in order to make decisions. Mr Hussain stated that they had been looking at long term borrowing options instead of short term options. It is a requirement to produce Prudential Indicators beyond one year and confirmed that professional advice had been taken to make these decisions.
- A member of the committee requested to see the comparison of loans to the revenue budget for better understanding. Mr Ambrose stated that as part of the Capital Strategy local indicators were being developed. Mr Ambrose suggested having a treasury management training session for Regulatory and Audit Committee members and other members. The chairman welcomed this suggestion.

RESOLVED: The Committee RECOMMENDED to Council the Treasury Management Update: Report and the Prudential Indicators for 2018/19 to 2021/22.

5 WHISTLEBLOWING POLICY

Ms S Murphy-Brookman, Director of Human Resources & Organisational Development and Ms A Nichols, Lead Policy Consultant, attended the committee to present the Whistleblowing Policy.

Ms Nicholls highlighted the following points.

- The Whistleblowing policy was reviewed last year and there had been an increase in cases.
- The policies was promoted in the staff handbook, internet, intranet and referred to in the Code of Conduct policy. There were no cases carried forward from the previous year.
- Three cases had been dismissed as they were referred to safeguarding and anti-fraud.
- Ms Gibb stated that the policy was currently being reviewed.

The committee raised and discussed the following points:

The Chairman requested that going forward the committee were to be provided with data in the reports that would allow them to compare actions, no actions and items carried forward to allow members to understand the current position of the policy in line with expectations.

ACTION Ms Nicholls

The Chairman stated that the committee needed assurances from officers that they understood the policies they were managing and for staff to know who to approach when unsatisfied with the outcome.

ACTION: Ms Gibb

Recommendation

That the Regulatory and Audit Committee approved the Whistleblowing policies for Services and Schools.

RESOLVED: The Committee APPROVED the report.

6 ANTI FRAUD AND CORRUPTION POLICY

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Anti-Fraud and Corruption Policy had been subject to a light-touch interim review for approval by the Regulatory and Audit Committee. The Policy is subject to a full review alongside the Anti-Money Laundering and Whistleblowing Policies and would be presented to the Committee at their meeting in January.

RESOLVED: The Committee APPROVED the updated Policy.

ACTION: Ms Naeem

7 ANTI MONEY LAUNDERING POLICY

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Anti-Money Laundering Policy had been subject to a light-touch interim review for approval by the Regulatory and Audit Committee. The Policy is subject to a full review alongside the Anti-Fraud and Whistleblowing Policies and would be presented to the Committee at their meeting in January.

RESOLVED: The Committee APPROVED the updated Policy.

ACTION: Ms Naeem

8 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Ms M Gibb, Head of Business Assurance and Chief Internal Auditor presented the Annual Governance Statement action plan and gave the following mid-year updates:

- The action plan related to the 2017/18 Annual Governance Statement
- The plan had been presented to the committee in July 2018, where three significant weaknesses were identified. The committee were provided with assurances that these actions were being progressed.
- Contract Management – an update on the SRM improvement plan would go to the Risk Management group on 12 December 2018.

ACTION: Ms Naeem

- Technology Services had presented the new Smarter Bucks Strategy to the Finance and Resources Select Committee in November and this would go on to Cabinet for approval.
- Children’s Services - following the Ofsted inspection, the Executive Director of Children’s Services had provided a detailed progress on actions; Executive Director re-assured that the improvement plan was on track.

RESOLVED: The Committee NOTED the report.

9 MANDATORY TRAINING COMPLIANCE UPDATE

Ms C High, Corporate Training Advisor and Ms J O’Neill Head of HR Consultancy attended the meeting to present the update.

Ms O’Neill highlighted the following points.

- Compliance trends over the last 3 years continued to improve, with this year’s performance better than last year and significantly higher level of compliance in the GDPR modules across the business units.
- The corporate mandatory training had been updated, with expiry dates for staff to refresh their training on a regular basis.
- Concerns were raised about the level of compliance in some areas although the current position was better than last year due to improved processes.
- Mandatory programme was repeated every 3 years.
- There had been a further 500 employees who had accessed the training and automatic reminders when training was overdue.
- All managers had a dashboard to view compliance for their direct reports and anyone who had not completed the training would be highlighted to the team manager.

Corporate Mandatory Training completion table.

Business Unit	Completion Percentage	Against Target	90%

Resources	98%	+ 8%
TEE	96%	+6%
CHASC	91%	+1%
CS	88%	-2%

The committee raised and discussed the following points:

The Chairman asked if the performance was better than July 2017. Ms O'Neill stated that it was better due to the additional processes in place.

A member of the committee stated that managers should be ensuring their team members were completing mandatory training. Ms High stated that eLearning was included as mandatory training in the induction pack.

A member of the committee commended that statistics had been moving in the right direction. Ms High stated that some staff still required face to face training, however eLearning was an efficient and effective way to carry out training and monitor progress. The committee were impressed with the improvement from 51% to 95% completion rate.

The Chairman stated that there were some concerns regarding the quality of the assessments if marks were low. The Chairman asked to see data included in the report to better understand the areas of low scores.

ACTION: Ms O'Neill

RESOLVED: The Committee NOTED the report.

10 BUSINESS CONTINUITY MANAGEMENT UPDATE

Mr L Jeffries, Director of Customer attended the meeting and highlighted the following points:

- Business Continuity Management (BCM) had been moving in the right direction.
- Work was being carried out with service areas in the red zone (2), with support to review provided by the Resilience team and training arranged for BCP lead officers.
- The Contract Management Application (CMA) had been updated in September 2018 to include BCM status; this would be enhanced by allowing contract managers to record their assessments.
- Prototype for emergency alerts had been tested successfully.

The committee raised and discussed the following points:

A member of the committee asked if benchmarking against other authorities had been achieved. Mr Jeffries stated that they had a good network and they had been finding out how other authorities were meeting their business continuity management.

Mr Jeffries stated that they were exploring use of digital solutions for Business Continuity Management.

The Chairman requested that going forward members would like to see a detailed breakdown for all the Service Areas.

ACTION: Mr Jeffries

RESOLVED: The Committee NOTED the report.

11 2018/19 BUSINESS ASSURANCE UPDATE

M Gibb, Head of Business Assurance and Chief Internal Auditor presented the update and highlighted the following points:

- The report provided an update on internal audit work.
- The next Risk Management Group (RMG) would be taking place on 12 December 2018 and the committee would be updated in the new year.

The committee raised and discussed the following points:

- The Chairman stated that some internal audit priorities had been assessed as low due to other ongoing activities.
- Mr Ambrose stated that renewal of Transport for Buckinghamshire (TfB) contract would be due in 2020 and the committee would like to ensure a smooth transition.
- It was noted that there was a lot of work to be undertaken collaboratively going forward.

RESOLVED: The Committee NOTED the report.

12 FORWARD PLAN

Ms Gibb, Head of Business Assurance and Chief Information Officer, stated that the Forward Plan was currently under review and would be presented to the committee at their meeting in January.

ACTION: Ms Naeem

13 DATE AND TIME OF NEXT MEETING

The next meeting would be held on 30 January 2019 in the Mezzanine Room 1, County Hall Aylesbury Buckinghamshire.

14 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 1 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to an individual.

15 CONFIDENTIAL MINUTES

The Chairman stated that on Page 98 of the previous minutes there was an action for Mr Strevens which was completed at the Risk Management Group.

RESOLVED: The Committee NOTED the amendment and AGREED the confidential minutes.

CHAIRMAN

Regulatory and Audit Committee

Title: 2019/20 Draft Business Assurance Strategy

Date: Thursday 4 April 2019

Author: Maggie Gibb – Head of Business Assurance

Contact officer: Maggie Gibb – 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

This paper details the draft Business Assurance Strategy, including the Internal Audit and Risk Management Plans, the resources available and how we will be delivering our service in 2019/20.

The Business Assurance Team delivers the Council's Risk Management, Internal Audit, Assurance and Counter Fraud services, and operates under the Director of Finance and Procurement (S151) within the Resources Business Unit.

The draft strategy will be presented to the Corporate Management Team on 3 April 2019, and any proposed amendments will be shared with the Regulatory and Audit Committee at the meeting.

The draft 2019/20 strategy is being presented three months earlier than the 2018/19 strategy to ensure that the risk, audit and counter fraud activity commences early in Q1.

Recommendation

The committee are **RECOMMENDED** to **APPROVE** the report.

Supporting information to include the following if a decision is being requested:

Resource implications

Contained within 19/20 budget.

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not relevant

Background Papers

Draft 2019/20 Business Assurance Strategy

BUCKINGHAMSHIRE COUNTY COUNCIL

BUSINESS ASSURANCE STRATEGY

INTERNAL AUDIT AND RISK MANAGEMENT PLAN 2019/20

Maggie Gibb
Head of Business Assurance (Chief Internal Auditor)

April 2019

1. Introduction

- 1.1 This paper details the Business Assurance Strategy, including Internal Audit and Risk Management Plans, the resources available and how we will be delivering our service in 2019/20.
- 1.2 The Business Assurance Team delivers the Council's Risk Management, Assurance and Internal Audit services. The team operates under the Director of Finance and Procurement within the Resources Business Unit.
- 1.3 The outline Risk Management, Internal Audit and Assurance work plan for 2019/20 is attached as Appendix 2. The work plan will remain flexible and evolve during the year to meet the needs of unplanned demands.

2. Internal Audit Strategy

- 2.1 The Accounts and Audit Regulations 2015 (S5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance; these are defined as the Public Sector Internal Auditing Standards 2017.
- 2.2 The Public Sector Internal Auditing Standards defines "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."
- 2.3 The Chief Internal Auditor is required to provide an annual report on the system of internal control which is used to inform the Council's Annual Governance Statement. In providing this opinion, we are required to review annually the financial management, risk management and governance processes operating within the Council. This includes reviewing internal control systems for key processes on a risk basis.
- 2.4 The Council works towards a combined assurance model, with Internal Audit operating as the third line of assurance. The first line of assurance is achieved by the management controls and systems, and the second line of assurance from the Professional Leads monitoring the key governance frameworks such as finance, HR and technology. The model will continue to become embedded into the governance reporting process during 2019/20, which will include to the Business Unit Boards, Corporate Management Team and the Regulatory and Audit Committee.
- 2.6 A priority in the first quarter is to complete the audit activity which has been "carried forward" from the 2018/19 Internal Audit Plan due to a number of unplanned investigations and urgent audit activity placing constraints on the Business Assurance Team.

- 2.7 To provide an opinion on the system of internal control, the Chief Internal Auditor will use the work undertaken by the Business Assurance Team:
- The Senior Business Assurance Officer focuses on the system of risk management, and the performance risks within the key services, including the major contracts and projects. It is also the responsibility of this team to co-ordinate the combined assurance reporting which includes monitoring and reviewing the completeness of the management control, (first line of assurance) and the professional lead statements, (second line of assurance). Quarterly updates and a year-end combined assurance report will be produced for each of the Business Units.
 - The Internal Audit team reviews the key control processes across the organisation, including those supporting critical service areas. The activity focusses on governance, and internal control, including financial management and fraud risk. As the third line of assurance, it is the role of Internal Audit to consider the adequacy and effectiveness of the first two lines of assurance.
- 2.8 The Business Assurance Team will continue to support the Professional Leads and Executive Directors in developing their assurance frameworks, by providing advice and guidance.

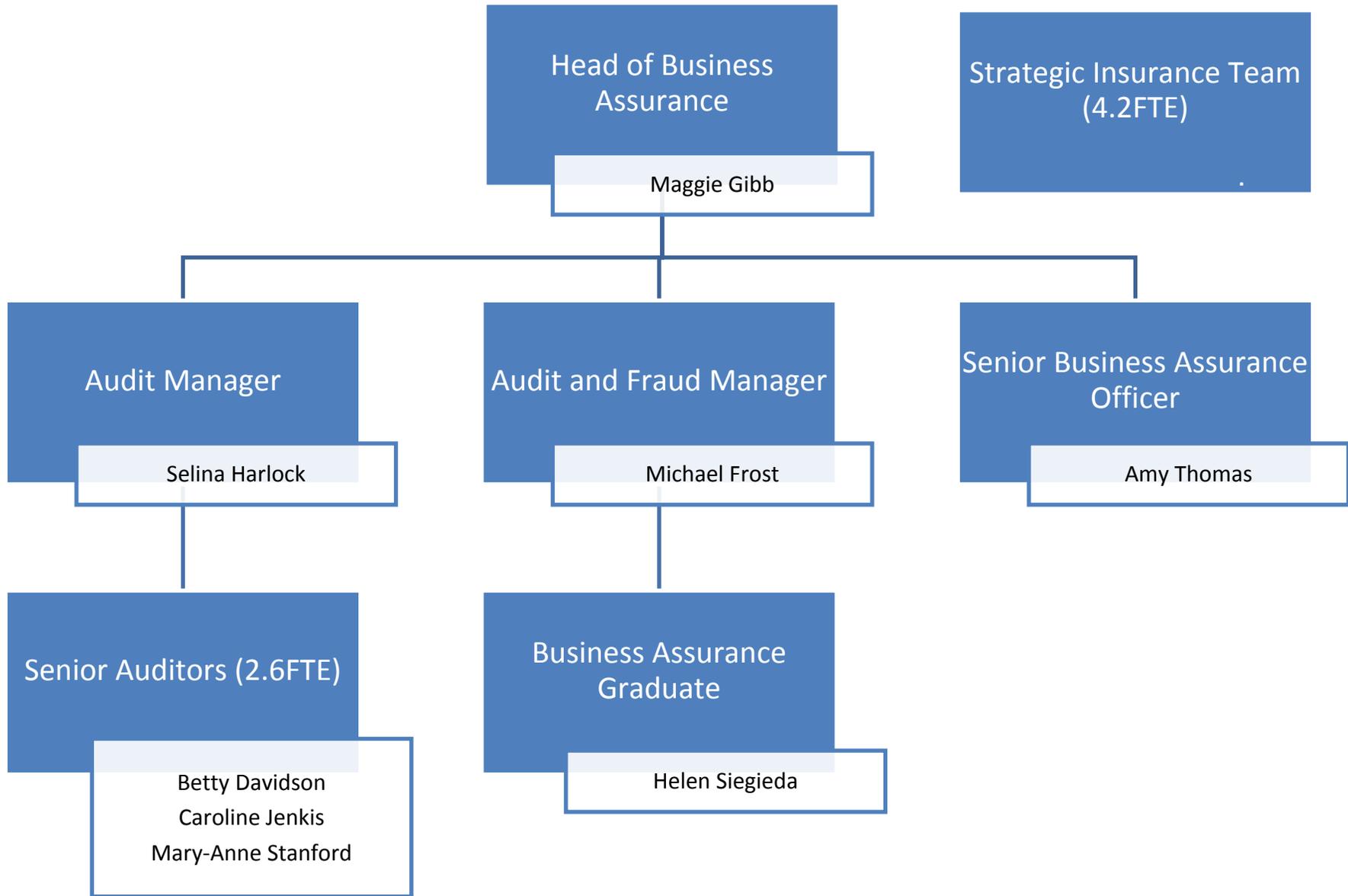
3 Audit Planning Methodology

- 3.1 The Internal Audit and Risk Management Plans are produced with reference to the Strategic and Business Unit Risk Registers. The plan is also informed through discussion with the Senior Leadership Teams for each Business Unit, Finance Directors, Director of Finance and Procurement and the Assistant Chief Executive. Quarterly meetings with the Executive Directors, and the Statutory Officers Group are scheduled to ensure the plan is kept under continuous review.
- 3.2 The plan will also be reviewed quarterly in conjunction with the combined assurance reports and strategic risk register, and presented to the Audit Board and Regulatory and Audit Committee for consideration and comment.
- 3.3 The Audit Plans will continue to be influenced by external organisations and statutory bodies we work with and provide assurance to.
- 3.4 Counter-fraud remains a key responsibility for the Business Assurance Team to lead on, and in 2019/20 this will continue to be focussed on overseeing the investigation of NFI data matches, and responding to referrals of suspected fraud and financial irregularity, as well as a programme of pro-active activity. The audit planning will include a review of the fraud risks with the Heads of Finance and contract risks with the Commissioning and Supplier Management Group..
- 3.5 Improving the robustness of contract management across the Council is a priority, and is being driven by the Commissioning and Supplier Management Group. The audit activity in relation to contracts will support this programme of improvement and focus on a sample of major contracts and the overall management control in particular the refresh of the Contract Management Application as a key assurance tool, and the key financial processes including procurement of goods and services and payments to providers.

4. Resources

- 4.1 The Business Assurance Team is currently resourced with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. The framework is hosted by the London Borough of Croydon and the audit service is currently provided by Mazars. This arrangement allows for a flexible approach, and enables us to respond swiftly to urgent requests for resource such as for investigations. The framework also enables us to request specialist resource such as IT auditors and contract auditors where the in-house team do not have the appropriate technical skills.

Business Assurance and Strategic Insurance Structure:



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4.3 The number of days available for the Business Assurance activity can be broken down as follows:

Resource	Available days*
Head of Business Assurance (& Chief Auditor)	150
Internal Audit Managers	400
Senior Auditors	390
Senior Business Assurance Officer	200
Graduate	100
Specialist/Outsourced	50
Total	1290

*including training and development, DSP, team meetings etc

Overall the total planned days on Business Assurance activity is 1238 days, of which 100 days is delivering an Internal Audit service to Buckinghamshire and Milton Keynes Fire Authority, and 20 days to Academies.

- 4.4 A number of contingency days have been set aside for unplanned events / issues that inevitably arise.
- 4.5 The plan includes a number of days to provide risk management, internal audit and assurance activity during the Unitary transition phase. The internal audit of the Unitary Programme itself will be outsourced as agreed by the Chief Executives Implementation Group.

5 Performance Monitoring / Reporting

- 5.1 The proposed Business Assurance performance indicators for 2019/20 are attached as appendix 1 to this report, and will form part of the Resources Business Plan monitoring.
- 5.2 The Regulatory and Audit Committee will receive a quarterly report, including the next quarters plan for approval, a status update on the approved work plans, and a summary of the outcomes of completed audits.

Appendix 1 – Business Assurance Team Key Performance Indicators

No.	Key Performance Indicator (KPI)	2019/20 Target
1	Draft internal audit reports issued within 15 working days of exit meeting (monthly)	90%
2	Final internal audit reports issued within 10 working days of management responses (monthly)	100%
3	Internal audits completed to the satisfaction of the client (quarterly)	95%
4	Audit actions in the draft internal audit report that are accepted by the client (monthly)	90%
5	Delivery of Internal Audit Plan (annual measure)	95%
6	Delivery of Risk Management plan (annual measure)	95%
7	Corporate Reporting Timelines being met (CMT/RMG/R&A) (monthly)	95%

KPI 1 Is monitored from the date of exit meeting.

KPI 2 is monitored from the date of which the last management response(s) is/are received

KPI 3 Is a Quality assessment of work done by internal audit.

KPI 4 Quality assessment which confirms the relevance and appropriateness of the work done by internal audit through the recommendations made.

KPI 4 Combined measure which requires collaboration to agree the importance of the work of internal audit and how it strengthens the whole control framework of the Council.

KPI 5 Is a performance control which confirms the annual audit plan is completed within year.

KPI 6 as per KPI 5 but for the risk management activity

KPI 7 is monitored through the forward plans/reporting deadlines as set corporately

Appendix 2 - Planned Risk Management and Internal Audit Activity 2019/20

Audit/ Activity	Objective/Risks/Concerns	Qtrs	Planned Days
General Risk/ Business Assurance Activities			
Business Improvement		N/A	20.0
Pentana Administration		N/A	12.0
Reporting to Regulatory and Audit Committee		N/A	12.0
Reporting to Risk Management Group		N/A	12.0
Reporting to Corporate Management Team		N/A	12.0
Reporting Audit Board		N/A	5.0
Reporting to Business Unit SLT's 1/4ly		N/A	8.0
Corporate Risk Management		N/A	20.0
BU Specific Risk Management		N/A	80.0
Contract Risk Training		N/A	10.0
Corporate Risk Management Training		N/A	20.0
Fraud Risk Training		N/A	10.0
Annual Governance Statement		N/A	10.0
Unitary Transition		N/A	50.0

Internal Audit Plan

Business Unit	Audit	Objective/Risks/Concerns	Qtr	Planned Days
Corporate	National Fraud Initiative	Review the data matches for the 18/19 NFI exercise.	Q1-4	20.0
Corporate	Counter Fraud	Proactive and probity activities	Q1-4	70.0
Corporate	Grant Validation (Over and above what is specified in the plan)	These reviews will verify that the amount claims are correct to expenditure. The review also involves taking a sample of transactions to ensure that the costs claimed are eligible under the grant conditions.	Q1-4	30.0
Corporate	Contracts Audit – Thematic Review	Review a sample of contract across the Authority based on a set theme – to be determined.	Q1-4	40.0
Corporate	Governance	Review of the decision making boards across all the Business Units to determine the quality and completeness of information to enable adequate scrutiny and for informed decisions to be made – these will be report separately per BU.	Q2-4	30.0
Corporate	Debt Management	Review of the corporate debt management arrangements to ensure that they are effective and implemented consistently across all BUs	Q2	20.0
Resources	K2	System audit - end to end process review of revenue and capital expenditure.	Q1	20.0
Resources	HR Income	Processing, monitoring and reporting of income received for the services delivered. We receive £2.8m of income (mainly from schools) and there is only one person who is responsible for processing the income received - single point of failure.	Q1/2	12.0
Resources	Property and Capital Programme Governance	Review of the decision making process to determine the quality and completeness of information to enable adequate scrutiny and for informed decisions to be made	Q1	15.0

Business Unit	Audit	Objective/Risks/Concerns	Qtr	Planned Days
Resources	Procurement	Due to the contract breaches reported, we need to ensure that there are mechanisms in place that enable proactive identification of contract/ commissioning activities that maybe breaching BCC policies and legislation. This audit was deferred from the 18/19 plan.	Q3	15.0
Resources	Key Financial System Audits	End to end testing of the AR/AP/Pensions/Payroll/ Treasury Management/ General Ledger. To ensure that key risks are being appropriately mitigated to provide a level of assurance that financial transactions are properly authorised, financial records are properly maintained, assets are safeguarded, and that applicable legislation and BCC policies and practices are complied with	Q2-Q4	80.0
Resources	Respond - System audit (go-live April 2018)	New system that logs all complaint, FOI and Data protection requests, SARS, Breaches. The audit will consider key controls, including system security access protocols	Q2	15.0
Resources	Information Management and Data Quality	Look at the information/ data register to ensure that the Business Units are aware of the information that they hold, retention period, purpose of the data and owners are identified for the data held. with GDPR activities and link to the data re	Q3	15.0
TEE	Transport For Buckinghamshire (TfB)	Annual revenue spend of £16.7m and gross capital of £39m. Delivering contracted level of improvements to time and to budget. A thematic review to be determined in agreement with SLT.	Q2	20.0
TEE	LEP Governance	Review the governance arrangements in place and ensure that BCC has adequate oversight as the accountable authority	Q2	15.0
TEE	Client Transport	Deep dive into the service following the 18/19 investigation to ensure findings have been address and improvements have been made.	Q2	15.0
TEE	Routewise	Client Transport key system that interfaces with SAP. Critical findings identified via Project Turnpike that require detailed review into the system controls.	Q1	15.0

Business Unit	Audit	Objective/Risks/Concerns	Qtr	Planned Days
Children's	Budget Management	Focus on the high spend areas, undertake a deep dive into the overspends within those areas and understand how they manage their budgets, what mechanisms they have in place to manage the costs/ manage budget pressures and to determine the adequacy of e forecasting.	Q2	15.0
Children's	Legal Spend	Review the process for commissioning legal services, look at the resource assigned to the referred cases - this also needs to include employment cases. CS spend the most on legal services due to complexity, however need to determine how this can be better managed.	Q2	15.0
Children's	Housing of Care Leavers	Approx. £2million spent in this area, we need to better understand the process for identifying housing for care leavers - is the process adequate to ensure that the associated cost is adequately managed, arrangements are identified/ considered and approved in a timely manner whilst still meeting the needs of the care leavers.	Q2	15.0
Children's	Early Years 3/4yr Entitlement	Significant amount of money given to a number of child care providers - and reliant on them providing accurate information to support the entitlement claims.	Q2	15.0
Children's	Safeguarding Board	Audit was deferred from the 18/19 plan. New chair coming in April 2019, new statutory guidance that is currently being introduced and will need evaluate the lessons learnt from the special case review.	Q3	10.0
Children's	Schools - Thematic Review	A sample of 5 schools will be identified based on a risk based methodology and will be reviewed.	Q1-Q4	50.0
CHASC	Implementation of Medications Policy	Monitoring of - appropriate Medications Policy in place with independent sector providers; consistent application of practice against policy; cyclic appropriate training of workforce; audit processes of recording of medication. There have been instances of concern with particular providers	Q2	15.0
CHASC	Quality Assurance Framework (QAF)	QAF is new. Quality of practice is a concern. Management seeks assurance that the QAF provides the assurance mechanism for practice and quality within adult social care. This will include a review of the robustness of the audit process.	Q4	20.0

Business Unit	Audit	Objective/Risks/Concerns	Qtr	Planned Days
CHASC	Integrated Commissioning	Governance of integrated commissioning that team is carrying out and documenting appropriately S75 agreement responsibilities. Integrated Commissioning has undergone changes in structure and personnel and would like to ensure a strong start for new arrangements.	Q2	15.0
CHASC	Income Processes	Potential income is accurately identified through assessments; financial assessments are undertaken effectively; due income is efficiently collected; recording, monitoring and forecasting of income is accurate. Assurance required that all potential income is identified and pursued. Lack of focus/urgency on securing income due.	Q2	15.0
CHASC	Virtual Wallet	A number of concerns have been raised regarding the process and the controls in place, link to direct payments which has had significant weaknesses	Q1/2	15.0
CHASC	Budget Management	Focus on the high spend areas, undertake a deep dive into the overspends within those areas and understand how they manage their budgets, what mechanisms they have in place to manage the costs/ manage budget pressures and to determine the adequacy of e forecasting.	Q2	15.0
CHASC	Deprivation of Liberty Safeguard - DoLS	This area has not been looked at for a long time and has been deferred from the 18/19 plan.	Q2/3	15.0
		TOTAL PLANNED BCC DAYS		958
		BMKFA/ACADEMY DAYS		120
		18/19 C/FWD DAYS		60
		CONTINGENCY DAYS		100
		TOTAL DAYS		1238

Approved Quarter 1 Audit Activity

The table below sets out the audit activity commenced during Quarter 1, as agreed by the Audit Board.

Directorate	Audit	Qtr	Planned Days
C/Fwd 18/19			
Children's	Commissioning Residential Placements	Q1	20.0
Children's	Children's Panels	Q1	10.0
Corporate	Contracts Audit	Q1	30.0
			60.0

Rolling List of Audit Activity 2019/20

We have adopted a fluid approach to the development of our Internal Audit activity which will be continuously reviewed and amended as required. The plan needs to remain flexible to react to emerging issues/risks and meet any urgent demands on the Internal Audit resource, such as investigations or ad-hoc assurance work. Internal audit activity will be subject to review by the Audit Board who has a responsibility to direct and oversee the activities and management of the Internal Audit function and to achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities.

The table below sets out a rolling list (which can be added to) of proposed audit activity which can be drawn upon during 2019/20 to utilise any contingency resources as and when required. This proposed list along with the agreed Annual Plan 2019/20 will be continuously reviewed and subject to changes agreed by the Audit Board and Regulatory and Committee.

Proposed Contingency Audit Activity 2019/20	
Resources: Property Maintenance IT – Delivery of the Technology Strategy Consultation Strategy Partnerships, including Framework Review	
TEE: Waste Management Energy and Resource Country Parks and Rights of Way Delivery Growth Strategy – Governance SALIX	
Children’s: Recruitment	

Regulatory and Audit Committee

Title: Annual Governance Statement

Date: Thursday 4 April 2019

Author: Maggie Gibb – Head of Business Assurance

Contact officer: Maggie Gibb – 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

This report provides the Regulatory and Audit Committee with an update on progress against the 2017/18 Annual Governance Statement (AGS) Action Plan. The AGS was presented to the Committee in July 2018 and was duly published with the Statement of Accounts.

The three actions detailed in the 2017/18 AGS have been subject to discussion and challenge through the Risk Management Group meetings held during 2018/19.

Recommendation

Members should **note** the content of the report.

Supporting information to include the following if a decision is being requested:

Resource implications

None

Legal implications

None

Other implications/issues

None



Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not relevant

Background Papers

207/18 Annual Governance Statement

2017/18 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Governance Issue	Action to be taken Responsible Officer Timescale	Update as at 27 March 2019
<p>Contract Management</p> <p>31</p>	<p>Develop and implement improvement programme to deliver the lessons learnt from recent contract failures and alternative delivery vehicle governance issues.</p>	<p>On target</p> <p>The Supply Relationship Management Improvement Plan (SRM IP) established in late 2017 has continued to improve commercial transparency and build contract management skills. The SRM IP is governed at Member and Executive Director level and progress is reviewed monthly. There is a recognised community of interest to share experiences and to identify value improvement and risk reduction. All material contracts are recorded within the Contract Management Application (CMA) from which the reporting ensures contract delivery and importantly provides timely feedback on performance indicators. In addition to the SRM IP we now have an active supply financial viability assessment, this is completed for all major contract holding organisations and as required by BCC management. Three specific streams of work are currently being used to ensure the lessons learnt from recent contract failures and alternative delivery vehicle governance issues are addressed.</p> <ul style="list-style-type: none"> • All contract managers are being offered additional training, this is via Contract Management Development workshops, and two further Contract Management training events. • New and rationalised e forms and procedures for use of CMA • Additional financial validations conducted at audit level and on demand assessments <p>The SRM IP was presented to the Risk Management Group in December 2018.</p>

Governance Issue	Action to be taken Responsible Officer Timescale	Update as at 27 March 2019
Technology Services	Production of revised ICT Strategy including timescales for delivering key priorities.	<p>Completed.</p> <p>Cabinet approved the new Smarter Buckinghamshire Strategy (2018- 2020) in January 2019 and nominated the Technology and Digital Board to oversee and monitor the delivery of the Strategy and provide an annual update on progress.</p> <p>The Head of Technology Services Operations attended the Risk Management Group in December 2018 where it was confirmed that a full review had been carried out of the IT infrastructure and an IT Improvement Programme has been set up.</p>

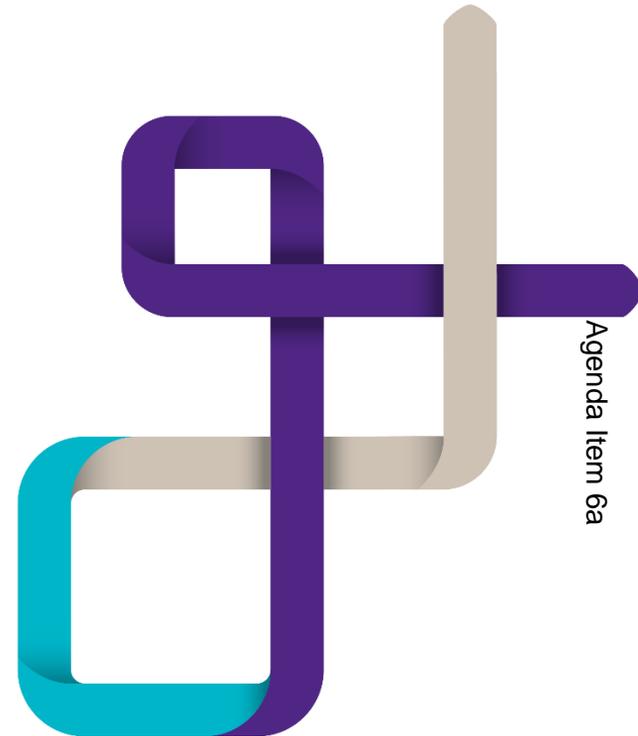
Governance Issue	Action to be taken Responsible Officer Timescale	Update as at 27 March 2019
Children's Services	<p>The following required improvements were noted in the July 2018 DfE report and will be embedded within the Improvement Programme:</p> <ul style="list-style-type: none"> • A revised early help offer that links much more closely with social care activity and an improved MASH and includes close attention to the content and understanding internally and externally of thresholds for intervention. • Investing specifically in leadership and management development for the SLT and, as already planned, for team managers. • Embedding a new organisational culture that will support social work practice. • This should include re-balancing a performance and audit framework in order to place an equivalent focus on the content as well as the metrics of case work performance. • To support this there needs to be a systematic approach to engagement with front line managers and practitioners to ensure they take full accountability for their own performance but also have a sense of transparency and ownership for the direction of the improvement work. • Reviewing the role and structure of the child protection conference chairs and Independent Reviewing Officers. • Developing a fully realised transformation plan that will set out a vision for how the service will deliver high quality social work and related services 	<p>On target</p> <ul style="list-style-type: none"> • The service has been extremely fortunate to have recruited an experienced, competent Senior Management Team (SMT) with a proven track record. • The implementation of the Children's Social Care Workforce Strategy continues to be a key priority. The workforce continues to receive significant investment and remains a major factor in delivering the necessary practice and Service improvements that are required to deliver the right outcomes for children and families as well as achieve an improved rating from Ofsted. • Last year, Ofsted conducted two monitoring visits in July and December. Inspectors have reviewed the progress made in the arrangements for supporting children in need and children subject to child protection plans, respectively. On both occasions, Ofsted reported that the local authority is demonstrating early signs of improvement in some parts of the service; however, the quality of assessment, planning and intervention still remains too variable. • Ofsted's view is that the service has an accurate understanding of the extent of the challenge and a realistic improvement plan in place. Ofsted have also commented on the political and corporate support in place to assist the service's improvement journey. • During the last three months of 2018, pressures within the service peaked and caseloads for our social workers, in some teams, were much higher than the service would like. Despite these pressures, during December's monitoring visit, Ofsted reported that morale across the workforce is positive, with most social workers reporting that they enjoy working in Buckinghamshire and feel supported by their peers and managers. The pressures have eased more recently as a significant amount of time has been invested in closing and improving the throughput of cases, where appropriate, to alleviate the pressures. In addition, the application of thresholds in the MASH has also received substantial attention which is helping ensure that the right cases are progressed through the service. Further work is required on this but the early signs are promising. • The Service Director for Children's Social Care attended the Risk Management Group meeting on 14 March 2019 to provide Members with a detailed update on the Improvement Programme.

External Audit Plan

Year ending 31 March 2019

Buckinghamshire County Council

8 March 2019



Contents



Your key Grant Thornton
team members are:

Iain Murray

Engagement Lead

T: 020 7728 3328

E: iain.g.murray@uk.gt.com

Simon Turner

Audit Manager

T: 0121 232 5273

E: simon.a.turner@uk.gt.com

Cherise Douglas

In-Charge Accountant

T: 020 7865 2488

E: cherise.a.douglas@uk.gt.com

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Buckinghamshire County Council ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Buckinghamshire County Council. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on:

- whether your financial statements that have been prepared by management with the oversight of those charged with governance (the Regulatory and Audit Committee); and
- your Value for Money arrangements in place for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Regulatory and Audit Committee of your responsibilities. It is your responsibility to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how you are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of your business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management over-ride of controls
- Valuation of land and buildings
- Valuation of the net pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £17.2m (Prior Year: £16.5m) for the Authority, which equates to 2% of your prior year gross expenditure for the year ended 31 March 2018. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.9m (Prior Year: £0.8m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following Value for Money significant risks:

- Ofsted inspection of children's services
- Transformation of adults social care services
- Funding pressures
- Creation of a unitary authority in Buckinghamshire

Audit logistics

Our interim visit will take place in February 2019 and our final visit will take place in June and July 2019. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our fee for the audit will be £66,066 (Prior Year: £88,088) for the Authority, subject to the Authority meeting our requirements set out on page 13.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Key matters impacting our audit

External Factors

The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents. For Buckinghamshire County Council, while you are in a healthy position for an authority of your size and scale in respect of the reserves that you hold, your reserves are below their historical levels and it is imperative that you continue to maintain appropriate budgetary control and ensure the delivery of planned savings if you are to maintain your good track record in delivering a balanced budget.

Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of:

- IFRS 9 Financial Instruments which impacts on the classification and measurement of financial assets and introduces a new impairment model.
- IFRS 15 Revenue from Contracts with Customers which introduces a five step approach to revenue recognition.

Internal Factors

Transformation

You are currently undergoing significant transformation of your ways of working. This includes:

- In January 2018, you received a rating of “inadequate” following the review by Ofsted of your children’s services functions. You are currently transforming how you deliver children’s services to ensure that all of the findings raised by Ofsted are appropriately resolved and addressed.
- Following the decision made by the Secretary of State in November, you expect a new unitary authority to be established in Buckinghamshire, to replace the County Council and four District Councils from 1 April 2020. You currently implementing arrangements to prepare for this transition.
- You are undertaking significant transformation of how you deliver adult social care services, with a view to modernising social care and to support your customers in remaining healthy, safe and independent for longer.

Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- As part of our work we will review your financial performance in 2018/19 and consider the reasonableness of the high-level assumptions that you have made in preparing your Medium Term Financial Plan.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

- We identified a significant Value for Money risk relating to your adults transformation programme, your preparations for the transition to unitary status and your response to the Ofsted findings around your children’s services, which we will consider as part of our audit work. See page 10 for details of the work that we have planned in respect of this risk.
- We will keep ourselves updated on recent developments in your children’s, adults transformation and your preparations for the transition to unitary status.

Significant risks identified

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Revenues include fraudulent transactions	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of your revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition as the majority of your income is derived from grants or formula based income from central government and tax payers; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Buckinghamshire County Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for your audit.</p>
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>You face external scrutiny of your spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • on a risk-based basis, test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Property, plant and equipment - valuation of land and buildings (rolling revaluation)	<p>You revalue your land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£1.3 billion as at 31 March 2018) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in your financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>.</p> <p>We therefore identified valuation of property, plant and equipment land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none">• evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;• evaluate the competence, capabilities and objectivity of the valuation expert;• write to the valuer to confirm the basis on which the valuation was carried out;• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding;• test revaluations made during the year to see if they had been input correctly into the your asset register; and• evaluating the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of the pension fund net liability</p>	<p>Your pension fund net liability, as reflected on your balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£743 million in your balance sheet as at 31 March 2018) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of your pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that your pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out your pension fund valuation; • assess the accuracy and completeness of the information provided to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances to the controls in place for Buckinghamshire Pension Fund surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

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Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Authority's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £17.2m (Prior Year: £16.5m), which equates to 2% of your prior year gross expenditure for the year ended 31 March 2018. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £12.0m

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.9m (Prior Year: £0.8m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Regulatory and Audit Committee to assist it in fulfilling its governance responsibilities.

Prior year gross expenditure

£859m



- Prior year gross expenditure
- Materiality

Value for Money arrangements

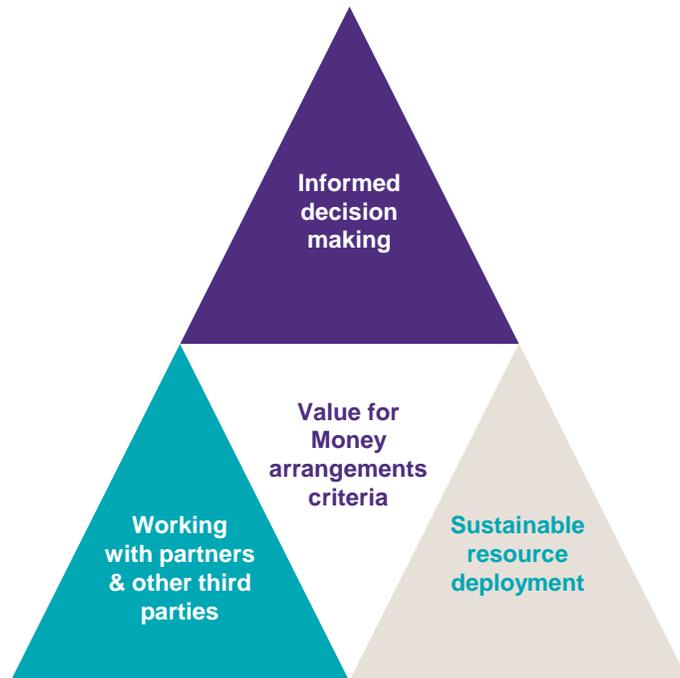
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.



Ofsted inspection of children's services

Ofsted issued a report on your children's services in January 2018 which gave you a rating of 'inadequate'.

We will review progress made in implementing the changes to your arrangements requested by Ofsted. We will also consider your performance against your internal objectives and targets in delivering a safe and reliable children's service.



Transformation of adult social care services

You are currently transforming the way that adult social care is delivered in Buckinghamshire, through greater health and social care integration and the implementation of your "Better Lives" strategy.

We will review progress made in implementing the changes to your arrangements and hold discussions with relevant officers involved in the delivery of this transformation.



Funding pressures

In light of the increasing funding pressures that you face, there is a risk that it will not be able to generate new revenue streams or deliver saving cuts of sufficient scale to maintain a balanced budget over the period covered by the Medium Term Financial Plan.

We will review recent performance against the budget and consider the reasonableness of the assumptions upon which the Medium Term Financial Plan is based.



Creation of a unitary authority in Buckinghamshire

In April 2020, your services and those of the four Buckinghamshire district councils are due to transfer to a new unitary authority. You are working closely with your district council colleagues to prepare for this transition.

We will review your programme, planning and risk management arrangements that you have put in place to prepare for this transition.

Audit logistics, team & fees



Iain Murray, Engagement Lead

Iain is the main point of contact for your senior officers and members. Iain will share with you his wealth of knowledge and experience across the local government sector, providing challenge and sharing good practice. Iain will ensure that our audit is specifically tailored to you and is delivered efficiently. Iain will review the work of the audit team and all reports presented to you.



Simon Turner, Audit Manager

Simon will oversee the management of the audit and will work closely with your senior finance staff to ensure the delivery of audit testing and resolution of any accounting issues on a timely basis. Simon will attend meetings of the Regulatory and Audit Committee and will undertake review of the work of the audit team. Simon will also lead on the delivery of our Value for Money audit work.

Cherise Douglas, In-Charge Accountant

Cherise will lead the on-site audit team and will be the day to day contact for the audit. Cherise will liaise with your finance team to ensure the smooth progression of the audit and to highlight early any significant issues and adjustments identified from our work.

Audit fees

The planned audit fees are £66,066 (Prior Year: £88,088 for the financial statements audit completed under the Code, which are inline with the scale fee published by PSAA. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we will detail for your officers our expectations and requirements for completing the audit. If these requirements are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Any proposed fee variations will need to be approved by PSAA.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The following other services were identified:

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Service	Fees £	Threats	Safeguards
Audit related			
Teachers Pensions certification (in respect of 2017/18)	£7,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work was £7,500 in comparison to the total fee for the audit of £66,066 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.
Education and Skills Funding Agency certification (in respect of 2017/18)	£4,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £4,000 in comparison to the total fee for the audit of £66,066 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.

Non-audit related

No non-audit related services have been provided to you by Grant Thornton UK LLP for the year ended 31 March 2019.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit. None of the services provided are subject to contingent fees.

PSAA contract monitoring

Buckinghamshire County Council opted into the Public Sector Audit Appointments (PSAA) Appointing Person scheme which starts in 2018/19. PSAA appointed Grant Thornton as auditors. PSAA is responsible under the Local Audit (Appointing Person) Regulations 2015 for monitoring compliance with the contract and is committed to ensuring good quality audit services are provided by its suppliers. Details of PSAA's audit quality monitoring arrangements are available from its website, www.psa.co.uk.

Our contract with PSAA contains a method statement which sets out the firm's commitment to deliver quality audit services, our audit approach and what clients can expect from us. We have set out commitment to deliver a high quality audit service in the separate document titled 'Local Government audits 2018/19 and beyond. Grant Thornton's External Audit commitment'. We hope this is helpful. It will also be a benchmark for you to provide feedback on our performance to PSAA via its survey in Autumn 2019.



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Our team



Iain Murray
Engagement Lead

T 020 7728 3328
E iain.g.murray@uk.gt.com



Simon Turner
Engagement Manager

T 0121 232 5273
E simon.a.turner@uk.gt.com

Local Government audits 2018/19 and beyond

Grant Thornton's External Audit commitment

Audit 2018/19

"I have always been extremely pleased with the work done by colleagues from Grant Thornton, there is continuity of staff delivering the team who presented the bid. This continuity remains through the cycle of work that takes place during the year; allowing the team to continue to understand the corporate objectives whilst allowing us to ensure we comply with the required standards. The team are very friendly and approachable with an accommodating style".

Director of Finance, local audited body

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

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"I have found Grant Thornton to be very impressive.....they bring a real understanding of the area. Their insights and support are excellent. They are responsive, pragmatic and, through their relationship and the quality of their work, support us in moving forward through increasingly challenging times. I wouldn't hesitate to work with them."

Director of Finance, County Council



Our relationship with our clients— why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLCAE, the Society of Treasurers, the Association of Directors of Adult Social Care and others.
- We propose a realistic fee, based on known local circumstances and requirements.

New opportunities and challenges for your community

The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.

Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues that you are facing, such as local government reorganisation
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

Grant Thornton in Local Government

Our client base and delivery



- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

Our connections



- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

Our people



- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

Our quality



- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards
- Your audit team has passed all quality inspections including QAD and AQRT

Our technical support



- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies

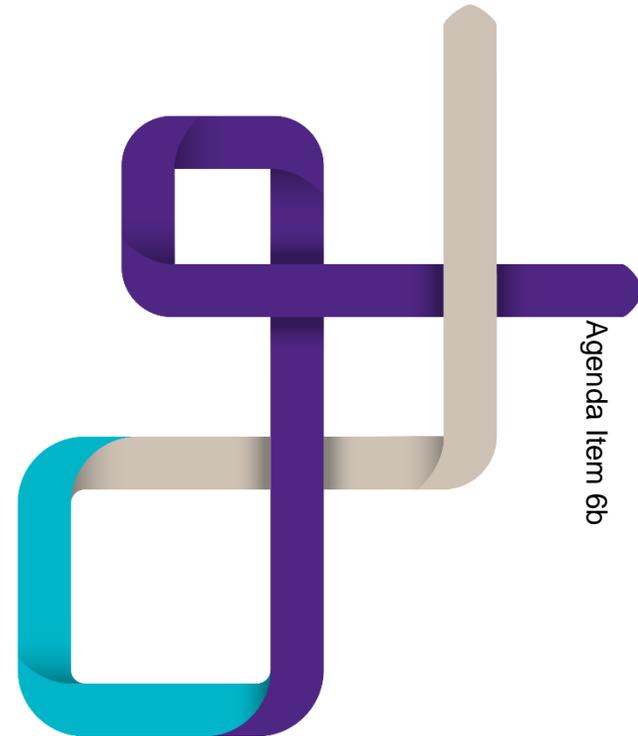


External Audit Plan

Year ending 31 March 2019

Buckinghamshire Pension Fund

1 March 2019



Contents



Your key Grant Thornton
team members are:

Iain Murray

Director

T: 020 7728 3328

E: iain.g.murray@uk.gt.com

Tom Ball

Manager

T: 020 7728 2030

E: thomas.j.ball@uk.gt.com

Cherise Douglas

Executive

T: 020 7865 2488

E: cherise.a.douglas@uk.gt.com

Section

1. Introduction & headlines
2. Key matters impacting our audit
3. Significant risks identified
4. Other matters
5. Materiality
6. Audit logistics, team & fees
7. Independence & non-audit services

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Buckinghamshire Pension Fund ('the Fund') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Buckinghamshire Pension Fund]. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Regulatory and Audit Committee).

The audit of the financial statements does not relieve management or the Regulatory and Audit Committee of your responsibilities.

Our audit approach is based on a thorough understanding of the Fund's business and is risk based. We will be using our new audit methodology and tool, LEAP, for the 2018/19 audit. It will enable us to be more responsive to changes that may occur in your organisation.

Significant risks

CS

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of level 3 investments

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined materiality at the planning stage of our audit to be £28.2m (PY £27.0m) for the Fund, which equates to 1% of your prior year net assets.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £1.4m (PY £1.3m).

Audit logistics

Our interim visit will take place in January 2019 and our final visit will take place in June 2019. Our key deliverables are this Audit Plan and our Audit Findings Report. Our audit approach is detailed in Appendix A.

Our fee for the audit will be £19,275 (PY: £25,033) for the Fund, subject to management meeting the expectations we have agreed with them.

Where we are required to respond to requests received from other auditors of other bodies for assurance in respect of information held by the Fund and provided to the actuary to support their individual IAS 19 calculations these may be billed in addition to the audit fee. We will consider these on a case by case basis dependent on the extent and nature of work requested by the other auditors.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Key matters impacting our audit

Factors

Guaranteed Minimum Pension (GMP)

- Pension funds are continuing to work through the GMP reconciliation process.
- In January 2018 the government extended its “interim solution” for indexation and equalisation for public service pension schemes until April 2021. Currently the view is that the October 2018 High Court ruling in respect of GMP equalisation is therefore not likely to have an impact upon the LGPS.

Changes to the CIPFA 2018/19 Accounting Code

The most significant changes relate to the adoption of IFRS 9 Financial Instruments. In practice, IFRS 9 is anticipated to have limited impact for pension funds as most assets and liabilities held are already classed as fair value through profit and loss.

SI 493/2018 – LGPS (Amendment) Regulations 2018

Introduces a new provision for employers to receive credit for any surplus assets in a fund upon ceasing to be a Scheme employer. This could potentially lead to material impacts on funding arrangements and the need for updated of Funding Strategy Statements.

The Pensions Regulator (tPR)

tPRs [Corporate Plan](#) for 2018-2021 includes three new Key Performance Indicators (KPIs) directly related to public service pension schemes and tPR has chosen the LGPS as a cohort for proactive engagement throughout 2018 and 2019.

Our response

- We will continue to monitor the position in respect of GMP equalisation and reconciliation. For pension funds the immediate impact is expected to be largely administrative rather than financial.

- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2018/19 CIPFA Code.

- We will keep under review any interaction the Fund has with tPR and tailor our audit approach where necessary.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.	<p>Having considered the risk factors set out in ISA (UK) 240 and the nature of the revenue streams at the Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Buckinghamshire County Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Buckinghamshire Pension Fund.</p>
Management override of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

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Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 Investments	<p>The Fund revalues its investments on an annual basis to ensure that the carrying value is not materially different from the fair value at the financial statements date.</p> <p>By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£166.4 million) and the sensitivity of this estimate to changes in key assumptions</p> <p>Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.</p> <p>Management utilise the services of investment managers and/or custodians as valuation experts to estimate the fair value as at 31 March 2019.</p> <p>We therefore identified valuation of Level 3 investments as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes for valuing Level 3 investments • review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met • for a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. We will reconcile those values to the values at 31 March 2019 with reference to known movements in the intervening period • in the absence of available audited accounts, we will evaluate the competence, capabilities and objectivity of the valuation expert

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in July 2019.

Other matters

Other work

The Fund is administered by Buckinghamshire County Council (the 'Council'), and the Fund's accounts form part of the Council's financial statements.

Therefore, as well as our general responsibilities under the Code of Practice a number of other audit responsibilities also follow in respect of the Fund, such as:

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - Issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the pension fund financial statements included in the pension fund annual report with the audited Fund accounts.

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Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Fund's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

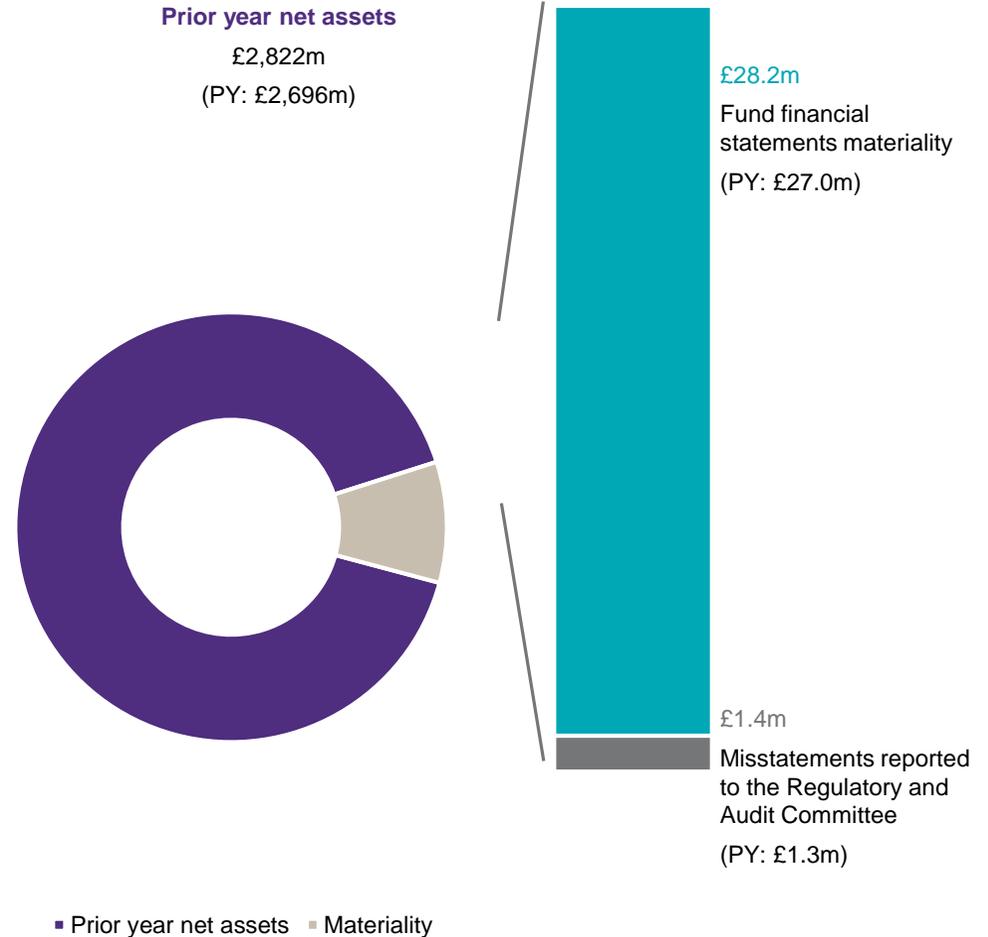
Materiality for planning purposes

We have determined materiality at the planning stage of our audit to be £28.2m (PY £27.0m) for the Fund. We consider the proportion of the net assets of the Fund to be the appropriate benchmark for the financial year. In the prior year we used the same benchmark. Our materiality equates to 1% of your actual net assets for the year ended 31 March 2018. We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

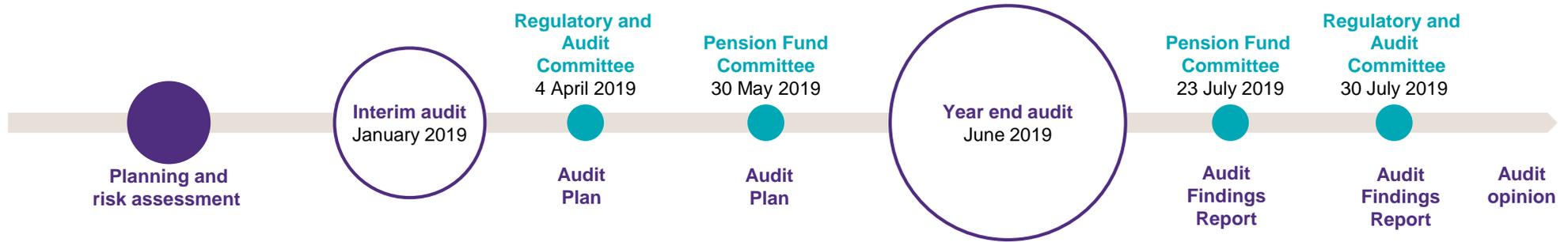
Matters we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Regulatory and Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £1.4m (PY £1.3m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Regulatory and Audit Committee to assist it in fulfilling its governance responsibilities.



Audit logistics, team & fees



Audit fees

The planned audit fees are £19,275 (PY: £25,033) for the financial statements audit completed under the Code, which are in line with the scale fee published by PSAA. There is no non-Code (as defined by PSAA) work planned. In setting your fee, we have assumed that the scope of the audit, and the Fund and its activities, do not significantly change.

Where we are required to respond to requests received from other auditors of other bodies for assurance in respect of information held by the Fund and provided to the actuary to support their individual IAS 19 calculations these will be billed in addition to the audit fee on a case by case basis.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have agreed detailed expectations and requirements with management. Where these requirements are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Any proposed fee variations will need to be approved by PSAA.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Fund. No other services were identified.

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Regulatory and Audit Committee

Title: Risk Management Group Update

Date: Thursday 4 April 2019

Author: Maggie Gibb – Head of Business Assurance (& Chief Auditor)

Contact officer: Maggie Gibb – 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Risk Management Group (RMG) is a working group of the Regulatory and Audit Committee. The RMG met on 10 October 2018, 12 December 2018 and 27 February 2018 and considered the following items:

1. Debt Management - Communities, Health and Adult Social Care (CHASC)

The Executive Director and Finance Director for CHASC presented the latest debt position and explained that the long term debt had reduced which was good news. The short term debt was low risk and being monitored on a regular basis. The key financial risks were reviewed and updated on a regular basis, and reported to the Corporate Management Team Budget Board.

2. CHASC Business Unit Risk Register

The Executive Director for CHASC presented the latest risk registers for the Business Unit and the Adult Social Care Transformation Programme. The main themes were care market stability, the delivery of the transformation programme and ensuring CHASC continued to deliver the safest possible services to users. Managing market demands was the largest area of risk due to a surge in demand for care. Mitigations had been identified to manage the risks, and these were reviewed, reported and escalated as appropriate through the CHASC risk framework process.

3. Debt Management - Children's Services (CS)

The Finance Director for CS presented an overview of the outstanding debt and a detailed overview of how the debts were being monitored and recovered. The CS Budget Board actively monitors the debt position and the key financial risks.

4. Resources Business Unit Risk Register

The Executive Director for Resources presented the latest risk register for the Resources Business Unit and explained that a thorough review had been carried out to refresh the risk register, and escalated risks were reported to the Resources Board through the improved governance process. The key themes related to budget pressures and improvement programmes. Mitigation plans are in place to manage the risks which are reviewed on a regular basis by the risk owners.

5. Contract and Supplier Relationship Management Update

The Executive Director responsible for the Contract and Supplier Management Improvement Programme and the Supplier Relationship Manager attended to provide an update on this high risk area. The Improvement Programme was identified as an action in the 2017/18 Annual Governance Statement. Significant work has been carried out to validate and cleanse the contract data and improvement activity continues to mitigate the key risk areas.

6. Technology Services Risk Register

The Chief Information Officer attended to present the latest risk register which had been reviewed and updated by the Senior Management Team. The risk register had been subject to a deep dive review and update in line with the development of the IT Improvement Programme.

7. Transport, Economy and Environment (TEE) Risk Register

The TEE risk register was presented and the key risks reviewed and challenged by Members. The key risks highlighted related to the Business Unit ensuring service delivery and business transformation in the times of financial constraint and planning for the impacts of growth on service demands. Risks are escalated via the Senior Management Team and are reviewed on a regular basis by the risk owners.

8. Unitary Risk Management

The Head of Business Assurance provided an update on the collaborative work with colleagues from the district councils developing the proposed risk framework and the initial Unitary Implementation Risk Register for the transition period. It was confirmed that each council will continue with their own risk management processes.

9. Anti-Fraud Briefing

Members were provided with an Anti-Fraud briefing covering key fraud risk areas such as procurement and schools.

Recommendation

To **note** the report

Supporting information to include the following if a decision is being requested:

Resource implications

None

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not relevant

Background Papers

Risk Management Group papers and minutes

Regulatory and Audit Committee

Title:	Regulation of Investigatory Powers Act Covert Surveillance Annual Report
Date:	Thursday 4 April 2019
Author:	Jamie Hollis
Local members affected:	All areas

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The purpose of the paper is to provide an annual report in relation to the Council's use of its powers under the Regulation of Investigatory Powers Act 2000, and to present an updated policy to the Committee for consideration.

Recommendation

The Committee is asked to:

- 1. Note the annual review of RIPA activity;**
- 2. Note the outcome and findings of the recent IPCO inspection; and**
- 3. Approve the revised Covert Surveillance Policy and Procedure.**

A: Background:

The County Council has a number of functions to undertake which involve the enforcement of laws and regulation. On occasion, officers may need to conduct investigations and, in exceptional circumstances, the Council has the power to make use of covert surveillance and similar activities.

The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice issued by the Home Office under section 71 of that Act regulate the way in which the County Council conducts surveillance for the purposes of law enforcement. The fundamental requirement of RIPA is that when the Council considers undertaking directed surveillance or using a covert human intelligence source it must only do so if a) the relevant criteria are satisfied, b) the activity has been authorised by an officer with appropriate powers, and c) Magistrates approval has been secured prior to any surveillance activity.

B: Review

The County Council's RIPA procedures and activity were inspected by the Investigatory Powers Commissioner's Office in January 2019. The findings of that inspection are contained within the IPCO letter attached at **Appendix A** to this report.

While the result of the inspection was positive, the Inspector made some recommendations for minor amendments to the Council's RIPA Policy. The recommended amendments, along with some general updates are identified in track-changes to the attached draft at **Appendix B** to this report.

The Council's policy requires a regular update of RIPA activity to be reported to the Regulatory and Audit Committee. The Council's use of RIPA powers continues to be very limited. The Council (via its shared service arrangement with Surrey County Council) authorised one instance of directed surveillance during the year 1 April 2018 – 31 March 2019. This case related to the detection of illegally imported animals. Ultimately the surveillance activity authorised was not as successful as hoped, and the necessary evidence was instead obtained by the Police.

The Council did not authorise any use of Covert Human Intelligence Sources during this period.

The Council submits an annual statement of its use of RIPA powers to the Investigatory Powers Commissioner's Office.

C: Resource implications

None

D: Legal implications

The Council must have an up to date legally compliant policy and procedures in place.

E: Other implications/issues

No other implications.

F: Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not applicable

Background Papers



Investigatory Powers
Commissioner's Office

PO Box 29105, London
SW1V 1ZU

Ms Rachael Shimmin
Chief Executive
Buckinghamshire County Council
The County Hall
Walton Street
Aylesbury
Bucks
HP20 1UA

5th February 2019

Dear Ms Shimmin,

Inspection of Buckinghamshire County Council

Your Council was recently subject of a desktop-based documentary inspection by one of my Inspectors, Ges Horne. I am grateful to you for facilitating this through your Head of Legal Compliance, Mr Jamie Hollis, who has provided the relevant materials.

The information you have provided has demonstrated a level of compliance that removes, for the present, the requirement for a physical inspection. It is anticipated that this will be undertaken when your authority's next three-yearly inspection is due.

Your Council was found to have a clear and comprehensive RIPA policy and arrangements in place for refresher training for key officers in March 2019. The following corrections or amendments to the RIPA Policy have been identified however and require the appropriate remedial action:

- Paragraph 38 refers to directed surveillance against council employees but does not amplify or qualify this statement. The protection of a directed surveillance authorisation is only available to the Council in the exercise of its *core* functions. The disciplining of staff, for example, is an *ordinary* function undertaken by all authorities and covered by different legislation. This needs to be clarified.
- Paragraphs 55 and 56 refer to *SI 2000 / 2793 Regulation of Investigatory Powers (Juvenile) Order* which has now been superseded by *SI 2018 / 715 Regulation of Investigatory Powers (Juvenile) Order 2018* which extends the authorisation period for juvenile CHIS from one to four months (paragraph 94 also needs amending accordingly).
- Paragraph 68 needs to clarify that directed surveillance under RIPA to prevent or detect crime *must be punishable by a maximum term of six months' imprisonment*.
- Paragraphs 77 refers to legally privileged information. The guidance should include a reference to the enhanced authorisation process; the Council's Head of Paid Service is the authorising officer but prior approval from a Judicial Commissioner is required.
- Paragraph 98 - the renewal process and the flow charts in appendix B should highlight that a renewal requires the approval of a magistrate before coming in to effect.

I would be grateful if you could ensure these matters are addressed at the earliest opportunity.

I take the opportunity here to remind you of the importance of regular, ongoing internal oversight of the actual or potential use of these powers, which should be managed through yourself as the Senior Responsible Officer. Officers need to maintain their levels of training lest, however remote a possibility it may appear, the powers need to be used. I also draw attention to the increasing usefulness and accessibility of social media which can offer initial investigative leads and assist with your enforcement or other responsibilities, but it behoves you to ensure that such resources as these are used in a controlled, auditable, and well understood manner. The Home Office Covert Surveillance and Property Interference Code of Practice provides some helpful advice on this point, and I note that your forthcoming training will focus on this type of activity.

My Office is available to you should you have any queries following the recent desktop inspection, or at any point in the future. Contact details are provided at the foot of this letter.

I shall be grateful if you would acknowledge receipt of the report within one month.

Yours sincerely,



The Rt. Hon. Lord Justice Fulford
The Investigatory Powers Commissioner

BUCKINGHAMSHIRE COUNTY COUNCIL

Covert Surveillance Policy and Procedure

***REGULATION OF INVESTIGATORY POWERS ACT
2000 – PART 2***



Version Control

Version No	Reviewer	Key Changes	Date Amended
V1	Regulatory & Audit Committee		10 June 2010
V2	Sarah Ashmead (Monitoring Officer)	Updates to reflect changes to legislation and personnel – following report to Regulatory & Audit on 18 November 2015	21 December 2015
	Linda Forsyth (Dep. Monitoring Officer & Corporate Lawyer)	No changes - Periodic review ahead of annual report to Committee	August 2016
	Linda Forsyth (Dep. Monitoring Officer & Corporate Lawyer)	No changes - Periodic review ahead of annual report to Committee	September 2017
V3 LIVE	Jamie Hollis (Dep. Monitoring Officer and Head of Legal & Compliance)	Minor general updates plus amendments to reflect changes to Home Office guidance released Sept 2018	Scheduled for next meeting of Regulatory & Audit Committee on 4 April 2019
V3.1	Jamie Hollis (Dep. Monitoring Officer & Head of Legal & Compliance)	Updates following 2019 IPCO inspection	Scheduled for next meeting of Regulatory & Audit Committee on 4 April 2019

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COVERT SURVEILLANCE POLICY STATEMENT

Introduction

1. Buckinghamshire County Council is committed to building a fair and safe community for all by ensuring the effectiveness of laws designed to protect individuals, businesses, the environment and public resources.
2. Buckinghamshire County Council recognises that most organisations and individuals appreciate the importance of these laws. The Council will, therefore, use its best endeavours to help them meet their legal obligations without unnecessary expense and bureaucracy.
3. At the same time the Council has a legal responsibility to ensure that those who seek to flout the law are the subject of firm but fair enforcement action. Before taking such action, the Council may need to undertake covert surveillance of individuals and/or premises. The purpose of this covert surveillance will be to obtain evidence of criminal offences and anti-social behaviour.

Procedure

4. All covert surveillance shall be undertaken in accordance with the procedures set out in this policy.
5. Buckinghamshire County Council shall ensure that covert surveillance is only undertaken where it complies fully with all applicable laws, in particular the following:
 - Regulation of Investigatory Powers Act 2000
 - Human Rights Act 1998
 - Data Protection Act 2018 and General Data Protection Regulations 2018
 - Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000
6. The Council shall, in addition, have due regard to all official guidance and codes of practice particularly that issued by the Home Office, the Investigatory Powers Commissioner's Office (IPCO) and the Information Commissioner.
7. In particular the following guiding principles shall form the basis of all covert surveillance activity undertaken by the Council:
 - All authorisations to carry out covert surveillance shall be granted by appropriately trained and designated authorising officers.
 - Covert surveillance shall only be undertaken where it is absolutely necessary to achieve the desired aims.

- Covert surveillance shall only be undertaken where it is proportionate to do so and in a manner that is proportionate.
- Adequate regard shall be had to the rights and freedoms of those who are not the target of the covert surveillance.

Training and Review

8. All Council officers undertaking covert surveillance shall be appropriately trained to ensure that they understand their legal and moral obligations.
9. The Senior Responsible Officer shall provide a report on the Council's use of RIPA to the Regulatory and Audit Committee on a regular basis as deemed appropriate. Annually, the report shall include a review of the effectiveness of this policy and any recommendation for changes to be made, including in the light of the latest legal developments and changes to official guidance and codes of practice.

Senior Responsible Officer

10. The Executive Director (Resources) is the designated Senior Responsible Officer who is responsible for the integrity of the process within Buckinghamshire County Council and maintaining oversight and quality control in relation to RIPA functions and processes.
11. The Senior Responsible Officer is responsible for maintaining the Central Record of Authorisations and also for RIPA training and awareness raising through the Council.
12. The Senior Responsible Officer is responsible for engagement with the Commissioners and Inspectors when they conduct their inspections and where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.

Conclusions

13. All citizens will reap the benefits of this policy, through effective enforcement of criminal and regulatory legislation and the protection that it provides.
14. At the same time, adherence to this policy, when undertaking covert surveillance, will minimise intrusion into peoples' lives and will avoid any legal challenge to the Council's activities or evidence.

GENERAL BACKGROUND

Legislation

15. The Regulation of Investigatory Powers Act 2000 (RIPA) provides the legislative framework within which covert surveillance operations must be conducted in order to ensure that investigatory powers are used lawfully and in accordance with human rights.
16. This document takes into account guidance issued by the Home Office under s71 of the 2000 Act and pursuant to the following statutory instruments.
 - The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010, SI 2010/521.
 - The Regulation of Investigatory Powers (Covert Human Intelligence Sources: Code of Practice) Order 2010, SI 2010/462
 - The Regulation of Investigatory Powers (Covert Surveillance and Property Interference: Code of Practice) Order 2010, SI 2010/463
17. This document takes into account the Protection of Freedoms Act 2012.
18. Officers and investigators involved in covert surveillance operations must familiarise themselves with the provisions of:
 - Article 8 of the European Convention on Human Rights 1958
 - The Human Rights Act 1998
 - Part 2 of the Regulation of Investigatory Powers Act 2000
 - The Covert Surveillance and Property Interference Revised Code of Practice (“the DS Code”)
 - The Covert Human Intelligence Sources Revised Code of Practice (“the CHIS Code”)
19. Applications for access to communications data shall be made via the National Anti-Fraud Network (NAFN).

Codes of Practice

20. The most recent versions of the DS Code and the CHIS Code were issued in August 2018. Whilst the Codes are not themselves law, they are citable in a court of law and any deviation from them may have to be justified. Council officers involved in surveillance activities should be familiar with their content. The Codes of practice are available at:

<https://www.gov.uk/government/collections/ripa-codes>

RIPA Forms

21. Copies of forms referred to in this document can currently be found at the following address: <https://www.gov.uk/government/collections/ripa-forms--2>
22. The Home Office website is at <https://www.gov.uk/government/organisations/home-office>

Compliance with RIPA

23. The Human Rights Act 1998 (which brought much of the European Convention on Human Rights and Fundamental Freedoms 1950 into UK domestic law) requires the County Council, and organisations working on its behalf, pursuant to Article 8 of the European Convention, to respect the private and family life of citizens, his home and his correspondence.
24. Covert surveillance may constitute an interference with the privacy of individuals who are subject to investigation and of members of the public who are present on a site which is subject to surveillance. Such an interference engages an individual's right to private life, family life, home and correspondence under Article 8(1) ECHR. However interference with that right can be justified where it is prescribed by law and proportionate to the pursuit of a legitimate aim. Part II of RIPA provides a statutory mechanism for authorising covert surveillance and the use of a 'covert human intelligence source'. It is intended to ensure that the proper balance is struck between the right to privacy and, in the local authority context, the legitimate aim of preventing or detecting crime and preventing disorder.
25. It is vital that the substantive requirements and the process set out in Part II of RIPA are adhered to. Provided these requirements are complied with, the Council and its officers should have a legal defence to any legal proceedings by virtue of S27, which states that conduct under Part II is lawful provided it is authorised; and is in accordance with that authorisation.
26. The information obtained by surveillance in accordance with Part II of RIPA will, provided lawfully obtained, be admissible in criminal, civil and tribunal proceedings. However failure to comply with Part II can also render information obtained by surveillance inadmissible. It is therefore vital that the requirements put in place under RIPA are observed to protect the interests of both the Council and the Officers involved.
27. The use of investigatory powers in the UK is overseen by the Investigatory Powers Commissioner. Further information on the role of the Commissioner and the Investigatory Powers Commissioner's Office can be found at: <https://www.ipco.org.uk>

Obtaining Judicial Approval of Authorisations

28. **Authorising Officers must when making authorisations be aware that each authorisation (or renewal of an authorisation) will be subject to judicial approval.**
29. The Protection of Freedoms Act 2012 amends RIPA, to require that where an Authorising Officer has granted an authorisation for the use of directed surveillance or

for the use of a CHIS, judicial approval will be required. The Council will be required to make an application, without giving notice, to the Magistrates' Court. The Magistrates will give approval if at the date of the grant of authorisation or renewal of an existing authorisation if and only if, they are satisfied that:

- there were reasonable grounds for believing that obtaining the covert surveillance or use of a human covert intelligence source was reasonable and proportionate and that these grounds still remain.
- the "relevant conditions" were satisfied in relation to the authorisation.

30. Relevant conditions are that:

- the relevant person was designated as an Authorising Officer
- it was reasonable and proportionate to believe that using covert surveillance or a covert human intelligence source was necessary and that the relevant conditions have been complied with;
- the grant or renewal of any authorisation or notice was not in breach of any restrictions imposed under section 25(3) of RIPA; and
- any other conditions provided for by an order made by the Secretary of State were satisfied.

31. If the Magistrates' Court refuses to approve the grant of the authorisation, then it may make an order to quash that authorisation.

32. No activity permitted by the authorisation granted by the Authorising Officer may be undertaken until the approval of the Magistrates' Court to that authorisation has been obtained.

WHAT IS COVERT SURVEILLANCE?

33. Under s48(2) Regulation of Investigatory Powers Act 2000 (“RIPA”), surveillance includes:
- monitoring, observing or listening or persons, their movements, their conversations or their other activities or communications;
 - recording anything monitored, observed or listened to in the course of surveillance; and
 - surveillance by or with the assistance of a surveillance device.
34. Most of the Council’s surveillance activities will be overt. Under s26(9) (a) of RIPA, surveillance is “covert” if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place.
35. Covert Surveillance can be an important tool in assisting the Council’s officers to fulfil their duties in relation to the prevention and detection of crime or the prevention of disorder. This includes the prevention and detection of anti-social behaviour.
36. RIPA distinguishes between two categories of covert surveillance, namely **Directed Surveillance** and **Intrusive Surveillance**.

Directed Surveillance

37. “Directed Surveillance” is defined under s26(2) as covert surveillance that is not intrusive surveillance and is undertaken:
- For the purposes of a specific investigation or operation;
 - In such a manner as is likely to result in the obtaining of *private information* about a person (whether or not that person is a person subject to the investigation)
 - Otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under RIPA to be sought for the carrying out of surveillance.
38. This can include surveillance of Council employees. However, it should be noted that a public authority may only seek authorisation under RIPA when it is performing its ‘core functions’. ‘Core functions’ are the specific public functions undertaken by a particular public authority, in contrast to its ‘ordinary functions’ which are those undertaken by *all* authorities. For example, the disciplining of an employee is not a core function, although related criminal investigations may be.
39. “**Private information**” about a person should be taken generally to include any aspect of a person’s private or personal relationship with others, including family and professional or business relationships. The covert surveillance of a person’s activities in a public place may result in the obtaining of private information where a person has a reasonable expectation of privacy; and where a record is being made by a public authority of that person’s activities.

Commented [HJ1]: Amendment recommended by IPCO

40. "Private information" includes personal data, such as names, telephone numbers and address details.
41. Regard must be had to the totality of any records held about a person, even where individual records do not constitute "private information".
42. There are two further situations which *may* constitute directed surveillance:
- Where information is derived from surveillance devices which provide information about the location of a vehicle alone, and is coupled with other surveillance activity from which private information is obtained. However the use of vehicle surveillance devices in itself does not necessarily involve the provision of "private information".
 - Where postal or telephone communications are intercepted and once either the sender or recipient has consented to the interception (and where there is no interception warrant).

Intrusive Surveillance

43. **Intrusive Surveillance** is defined under s26(3) as covert surveillance that is:
- carried out in relation to anything taking place on any residential premises or in any private vehicle; and
 - involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device on the premises or in the vehicle or is carried out by means of a surveillance device that, although not on the premises or in the vehicle, provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.
44. It is **not** necessary to consider whether intrusive surveillance is likely to result in the obtaining of "private information"¹. The categorisation of surveillance as "intrusive" relates to the location of the surveillance activity rather than the nature of the information obtained.
45. For the purposes of RIPA, residential premises include hotel rooms, hostel rooms and prisons but not common areas to which a person is allowed access in connection with occupation (for example a communal stairway, hotel reception area or dining room, or front garden or driveway which is readily visible to the public)².
46. The definition of "**premises**" under RIPA is broad, and extends to any place whatsoever, including any vehicle or moveable structure, whether or not occupied as land.
47. Under the Regulation of Investigatory Powers (Extension of Authorisation Provisions: Legal Consultations) Order 2010, directed surveillance shall be intrusive surveillance if carried out on the following premises:

¹ Para 2.12

² Para 2.13 – 2.16

- Any place where persons serving sentences, in custody or on remand may be detained
- Any place of detention pursuant to immigration powers
- Police Stations
- Hospitals where high security psychiatric services are provided
- The place of business of any legal adviser
- Any place used for the business of a court, tribunal, inquest or inquiry

48. The Council's officers **CANNOT AUTHORISE** intrusive surveillance under RIPA.

Online covert surveillance

49. The Home Office Revised Code of Practice on Covert Surveillance and Property Interference, published in August 2018, provides the following guidance in relation to covert online activity:

'The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.

The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).

In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

As set out below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings. Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online.'

WHAT IS COVERT HUMAN INTELLIGENCE?

50. A covert human intelligence source (“CHIS”) is a person who establishes or maintains a relationship with someone in order to covertly obtain information, to provide another person with access to information or to disclose information as a consequence of that relationship. Essentially, this covers the use of informants and undercover officers.

51. Whether a “relationship” has been established will depend on all the circumstances, including the duration of the contact and the nature of the covert activity.

Test Purchasers

52. For example, where a test purchaser makes a single purchase, the relationship is likely to be too limited to require a CHIS authorisation. On the other hand if the test purchaser has to become acquainted with the vendor in order for him to make a sale, a relationship will have been established and the test purchaser will be treated as a CHIS. If there is any doubt whether authorisation is required in relation to a particular operation then the Investigating Officer should seek authorisation.

The use of juveniles as a CHIS

53. If a person under the age of 18 is to be used as a source, authorisation must be obtained from either the Head of Paid Service or (in his absence) the person acting as Head of Paid Service.

54. On no occasion should the use or conduct of a person under 16 be authorised to give information against his parents or any person who has parental responsibility for him.

55. The *Regulation of Investigatory Powers (Juvenile) Order* 2018 SI 715 applies to the use of juvenile sources. This requires that where a source is under 16, an appropriate adult must be present at all meetings between the source and the Council’s officers. The Order also requires a detailed risk assessment to be undertaken where a source is under 18. The existence and magnitude of any physical or psychological risk must be identified and the Authorising Officer must be satisfied that the use of the source is justified in light of that risk and that the risk has been properly explained to and understood by the source.

Commented [HJ2]: Amendment recommended by IPCO

56. Authorisations for the use of juvenile source cease after 1 month instead of 12 months.

57. The use of a juvenile e.g. to attempt to buy alcohol or tobacco from a shop suspected of selling to persons under age may not constitute the use of a juvenile as a CHIS for the reasons set out above.

Members of the public as informants

58. A member of the public who reports a matter e.g. about unlawful trading to an officer is not a CHIS. If an Investigating Officer wishes to request that person to e.g.

maintain a relationship with a trader and keep records of their dealings or to make further inquiries of a trader, authorisation will, however, be required.

Monitoring the use and welfare of CHIS

59. There must at all times be arrangements in place for the proper oversight and management of CHIS, including appointing individual officers to act as 'controller' and 'handler' for each CHIS.
60. The 'handler' will have day to day responsibility for:
 - dealing with the CHIS on behalf of the Council;
 - directing the day to day activities of the CHIS;
 - recording the information supplied by the CHIS; and
 - monitoring the CHIS's security and welfare.
61. The handler of a CHIS will usually be of a rank or position below that of the Authorising Officer.
62. The 'controller' will normally be responsible for the management and supervision of the handler, and general oversight of the use of the CHIS.
63. Section 29(5) of RIPA provides that an Authorising Officer may only authorise the use of a CHIS if satisfied that there is at all times a person with the responsibility for keeping a record of the use made of the source. The Regulation of Investigatory Powers (Source Records) Regulations 2000 SI 2000/2725 sets out the particulars that must be included in the records relating to each source.
64. Before authorising the use or conduct of a CHIS, the Council should carry out a risk assessment to determine the risk to the CHIS and the likely consequences, should the role of the CHIS become known. Any matters of concern should be considered by the authorising officer and a decision taken as to whether to continue. The ongoing safety and welfare of the CHIS should continue to be taken into account after the authorisation has been cancelled.
65. Material produced as a result of the use of a CHIS must be retained only for so long as necessary. When reviewing the retention of records, the Council must consider its duty of care to the CHIS and the likelihood of future civil or criminal proceedings relating to the information supplied.
66. Appendix C provides further information about the monitoring and welfare of CHIS.

AUTHORISATION

The Role of the Authorising Officer

67. **Directed Surveillance** must be authorised by an **Authorising Officer** prior to approval by the Magistrates Court. The Council's Authorising Officers are set out in the Surveillance Personnel List at Appendix A. The Executive Director (Resources) will revise the Personnel List as and when necessary.

68. An Authorising Officer may only authorise Directed Surveillance for the purpose of the prevention or detection of crime or the prevention of disorder (punishable by a maximum term of at least 6 months imprisonment). An Authorising Officer must further be satisfied:

- that sufficient evidence exists and has been documented to warrant the use of the particular directed surveillance exercise requested
- that the use of the particular directed surveillance exercise requested is both necessary and proportionate to the particular objective pursued.

69. It is fundamentally important that the Authorising Officer is able to evidence that his consideration of the application is based upon the principles of necessity and proportionality. This must include why it is necessary to use covert surveillance in the investigation

70. **The use and conduct of CHIS** must also be authorised by an Authorising Officer, prior to approval by the Magistrates Court. The Authorising Officer must be satisfied that the use or conduct of a CHIS is necessary in the circumstances of the case for one of the following reasons: for the purpose of preventing or detecting crime or of preventing disorder;

71. If one of the above grounds applies, the Authorising Officer must go on to consider whether the use or conduct of a CHIS is proportionate.

Proportionality

72. In considering whether a particular exercise would be proportionate the Authorising Officer must consider whether it is excessive in the overall circumstances of the case. The fact that an offence is serious is not sufficient to render intrusive actions proportionate. The Authorising Officer must consider the following elements:

- The size and scope of the proposed surveillance activity, weighed against the gravity and extent of the suspected offence.
- Whether the methods suggested will cause the least possible intrusion on the subject and others.
- Whether the proposed activity is a legitimate and reasonable way of obtaining the necessary result.
- Whether other methods have been considered and the reasons for their non-implementation.

Commented [HJ3]: Amendment recommended by IPCO

Additional Safeguards

Collateral intrusion

73. Before authorising applications for **directed surveillance or CHIS**, the Authorising Officer must take into account the risk of “collateral intrusion” i.e. the risk of obtaining private information about persons who are not subjects of the surveillance activity.
74. Measures should be taken, where practicable, to minimise unnecessary intrusion into the privacy of those who are not the intended subjects. However activities resulting in collateral intrusion may still be lawful if they are proportionate. Applications by investigating officers should therefore include an assessment of the risk of collateral intrusion and details of any measures to limit this.
75. Planned surveillance activity against individuals who are not direct suspects should be treated as intended, rather than collateral, intrusion.

Confidential and Legally Privileged Information

76. Particular care should be taken where an investigation involves confidential information. **Confidential information** consists of matters subject to legal privilege, confidential personal information or confidential journalistic material. Confidential personal information means information held in confidence relating to the physical or mental health or spiritual counselling of an individual. Confidential journalistic information means information held in confidence acquired or created for the purpose of journalism.
77. Public authorities may obtain knowledge of matters subject to legal privilege via CHIS in the following scenarios:
- Where the authority has deliberately authorised the use or conduct of the CHIS to obtain knowledge of matters which are subject to legal privilege.
 - Where the CHIS obtains knowledge of matters subject to legal privilege through conduct which is incidental to his conduct as a CHIS.
 - Where a CHIS obtains knowledge of matters subject to legal privilege where his conduct is not incidental.
78. An authorisation or renewal for the use or conduct of a CHIS **intended** to obtain, provide access to or disclose knowledge of matters subject to legal privilege must follow an enhanced regime of prior notification and approval. Before an authorising officer grants or renews such an authorisation, they must give notice to and seek approval from a Judicial Commissioner. An application for authorisation or renewal must contain a statement that the purpose, or one of the purposes, of the authorisation is to obtain legally privileged information, and should only be sought in exceptional and compelling circumstances.
79. If a CHIS is **not intended** to acquire knowledge of matters subject to legal privilege, but it is likely that such knowledge will nevertheless be acquired, the application should contain an assessment of the degree of likelihood, how any material obtained will be treated, and how access to the material will be minimised.

Commented [HJ4]: Amendment recommended by IPCO

80. If the surveillance is likely to yield confidential information as defined above, authorisation must be sought from the Council's Head of Paid Service (i.e. the Chief Executive) or, in his/her absence, the Acting Chief Executive.

Legal consultations

81. The Regulation of Investigatory Powers (Extension of Authorisation Provisions: Legal Consultations) Order 2010 states that directed surveillance carried out on premises which are, at any time during the surveillance, used for the purposes of "legal consultation", is to be treated as intrusive surveillance. "Legal consultation" is defined as:

- A consultation between a professional legal adviser and his client or any person representing his client or
- A consultation between a professional legal adviser or his client or any such representative and a medical practitioner made in connection with or in contemplation of legal proceedings or for the purpose of legal proceedings.

82. For further information about surveillance involving confidential or legally privileged information or legal consultation, officers should consult the Codes of Practice on Covert Surveillance and Property Interference and Covert Human Intelligence Sources.

83. If there is any doubt as to whether information likely to be acquired would constitute confidential information, advice should be sought from Legal Services.

The use of agents and cooperation with other bodies

84. The Council can employ or recruit an agent e.g. an agent with more specialised equipment than the Council would have available to act on its behalf in conducting surveillance. The same authorisation procedures must be followed.

85. The Council might wish to involve personnel or equipment from one of the Borough or District Councils in the course of its investigations. If such a request is to be made, the County Council will have to follow the usual authorisation procedures and the usual procedures in relation to record-keeping and the handling of information and will share sight of the authorisation with any third party agent.

86. The Council should also be mindful of any similar surveillance taking place in other areas which could have an impact on its activities. Where an authorising officer considers that conflicts may arise, they should consult a senior police officer within the area.

AUTHORISATION PROCEDURES

87. The authorisation procedures are intended to ensure that any interference with privacy is subject to rigorous scrutiny. However, they also provide an opportunity for further discussion and refinement of the methods to be used in a particular investigation.
88. Applications for authorisation for Directed Surveillance must be made on the form **2010-09 DS Application**.
89. Applications for authorisation for CHIS must be made on the form **2010-09 CHIS Application**.
90. The written application must describe:
- the reason why the authorisation is necessary in the particular case for the prevention or detection of crime or the prevention of disorder
 - the purpose of the surveillance
 - the nature of the surveillance
 - the identities, where known, of those to be subject to the surveillance
 - an explanation of the information which it is desired to obtain as a result of the surveillance
 - the nature and extent of any likely collateral intrusion and why it is justified
 - the nature and extent of any likely confidential information
 - the level of authorisation needed
 - the reason why the surveillance is considered proportionate to what it seeks to achieve
 - a subsequent record of whether authority was given or refused, by whom and on what date.
91. The Authorising Officer must satisfy him or herself that the particular surveillance requested is proportionate to the particular aim pursued in the course of the investigation. It is ultimately for the Authorising Officer to decide whether or not the proposed surveillance is necessary and proportionate.
92. The current Authorising Officers are set out in the Surveillance Personnel List. The Executive Director (Resources) will revise the Personnel List as and when necessary.
93. If the application is granted, the Authorising Officer must record the reasons for authorisation. If the application is refused, the Authorising Officer must record the reasons for refusal.
94. Once the above authorisation process has been completed and a provisional authorisation granted, the Council must apply to the Magistrates Court for an Order approving the grant or renewal of an authorisation.

No activity permitted by the authorisation granted by the Authorising Officer may be undertaken until the approval of the Magistrates' Court to that authorisation has been obtained.

Duration and termination of authorisation

95. A written authorisation for **directed surveillance** will cease to have effect (unless renewed) at the end of a period of three months beginning on the day the Magistrates approval took effect.
96. A written authorisation for the use of a **CHIS** granted by an Authorising Officer will cease to have effect (unless renewed) at the end of a period of four months beginning on the day the Magistrates approval was given (or one month where the source is a juvenile).
97. Once the exercise for which authorisation has been granted has been carried out the Officer must complete a cancellation notice (**Form 2007-01 DS Cancellation** or **2007-01 CHIS Cancellation**) and submit this to the Authorising Officer for signature.
98. A written authorisation should be reviewed monthly to assess whether or not there is a need for surveillance to continue. The Authorising Officer must be satisfied that the continuation of the authorisation is justified. The Authorising Officer must record the reasons for concluding that an authorisation is justified to continue as approved or, alternatively, must record the reasons for concluding that the authorisation should not be continued. The review should be conducted using the form **2007-01 DS Review** or **Form 2010-09 CHIS Review**.
99. At any time before an authorisation would cease to have effect, the Investigating Officer may apply to the Authorising Officer to renew the authorisation. The Authorising Officer must be satisfied that the renewal would be proportionate. The authorisation of directed surveillance is subject again to Magistrates approval, and may be renewed for a further 3 months, taking effect at the time or on the day on which the authorisation would otherwise have ceased to have effect. The Authorising Officer must record the reasons for renewal or refusal. An application for renewal must be made using the form **2007-01 DS Renewal** or form **2007-1 CHIS Renewal**.
100. All applications for a written renewal should record:
- whether this is the first renewal or every occasion on which the authorisation has been renewed previously
 - any significant changes since the original application or last renewal or last review, as appropriate
 - the reasons why continued surveillance is necessary
 - the content and value to the investigation of information so far obtained by the surveillance
 - the results of regular reviews of the investigation

Commented [HJ5]: Amendment recommended by IPCO

101. Reviews and renewal applications for the use of a CHIS should also include the use made of the source during the period authorised, the tasks given to the source and the information obtained from the source.
102. An application for renewal should not be made until shortly before the authorisation period is drawing to an end.
103. Authorisations may be renewed more than once, provided they meet the criteria for authorisation.
104. During a review the authorising authority may amend the authorisation or cancel it, if the criteria for its initial authorisation are no longer met. As soon as the decision is taken to discontinue surveillance, all those involved in the surveillance must be notified.

Record Keeping

105. Copies of all signed forms of authorisation, renewals and cancellations should be filed on the case file and the originals should be sent to the Senior Responsible Officer within 5 working days of such authorisation renewal or cancellation. Forms will be kept for 5 years following the end of an authorisation or relevant court proceedings.
106. The Senior Responsible Officer will maintain a database of applications containing the following information:
 - the type of authorisation
 - the date the authorisation was given
 - the name and rank of the authorising officer
 - the unique reference number of the investigation or operation
 - the title of the investigation or operation including a brief description and the names of subjects if known
 - details of attendances at Magistrates Court to include the date of attendances at court, the determining magistrate, the decision of the court and the time and date of that decision
 - the dates of any reviews
 - the date of any renewals and the name and rank of the officer authorising renewal
 - whether the investigation was likely to result in obtaining confidential or privileged information and whether any such information was obtained
 - whether the authorisation was granted by an individual directly involved in the investigation
 - the date the authorisation was cancelled
 - Where any application is refused, the grounds for refusal as given by the Authorising Officer or determining magistrate.
107. The Senior Responsible Officer will further maintain copies of all applications (whether or not authorisation was given) with supplementary documentation; a record of the period over which surveillance has taken place; the frequency of

reviews; the result of any reviews; copies of any renewals of authorisation; the date and time of any instructions given by the authorising officer.

Handling of material and use of material as evidence.

108. Material produced as a result of directed surveillance may be used in criminal proceedings and must be retained only for so long as necessary.
109. All material obtained as a result of covert surveillance will be recorded and logged in the Investigating Officer's notebook in accordance with the usual procedures for the logging of evidence.
110. Material obtained using covert surveillance should be disposed of in accordance with the *Criminal Procedures and Investigations Act 1996*. Public authorities must ensure that arrangements are in place for the secure handling, storage and destruction of material obtained through the use of directed or intrusive surveillance. Authorising officers must also ensure compliance with the requirements of the Data Protection Act 2018 and General Data Protection Regulations 2018.

APPENDIX A

SURVEILLANCE PERSONNEL LIST

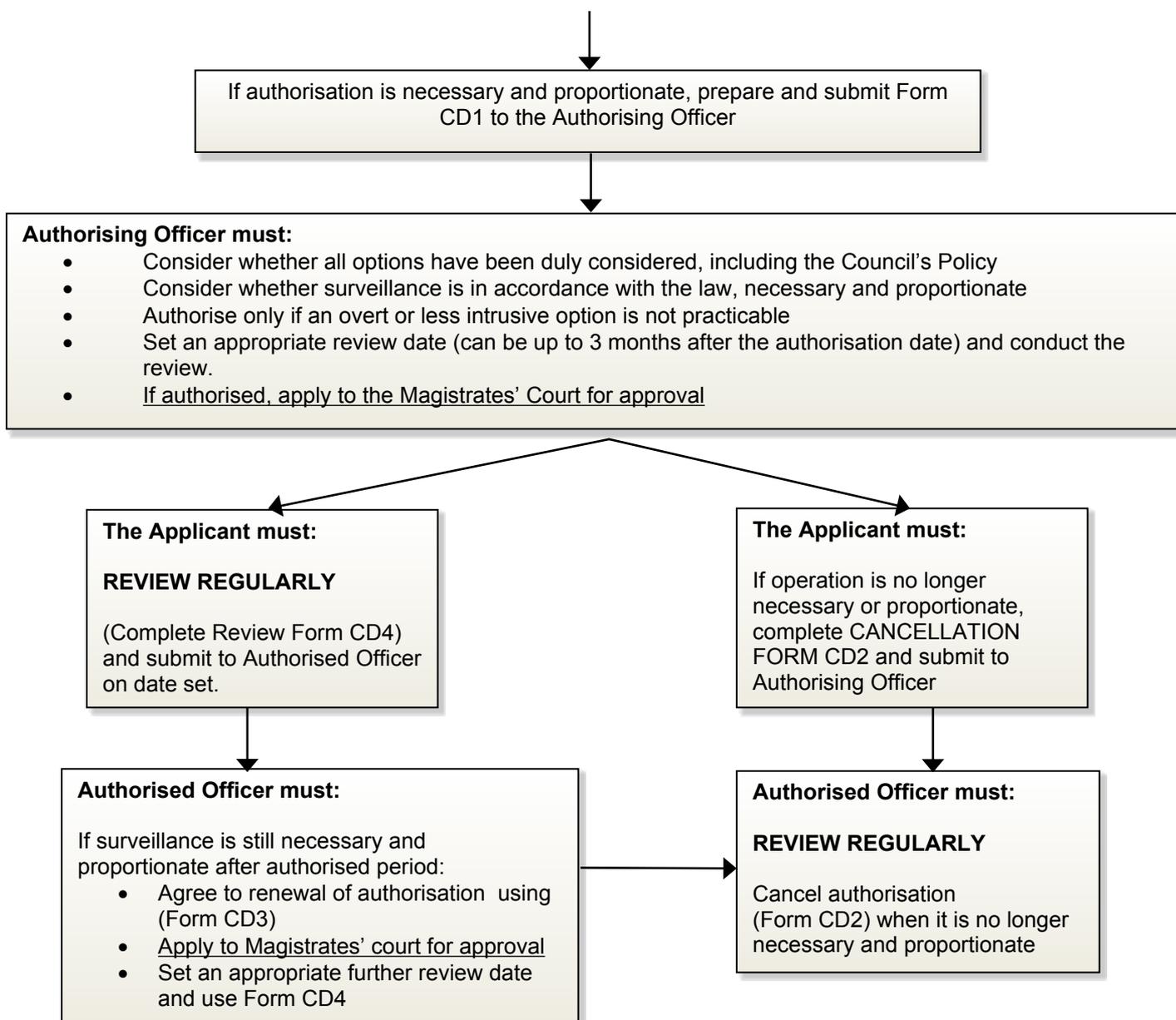
ROLE	NAME	JOB TITLE	DEPARTMENT
AUTHORISATION WHERE CONFIDENTIAL INFORMATION LIKELY TO BE ACQUIRED; USE OF JUVENILE CHIS; USE OF VULNERABLE CHIS	RACHAEL SHIMMIN	CHIEF EXECUTIVE	HEAD OF PAID SERVICE
SENIOR RESPONSIBLE OFFICER AND RIPA CO-ORDINATING OFFICER	SARAH ASHMEAD	EXECUTIVE DIRECTOR (RESOURCES)	STRATEGY & POLICY
AUTHORISING OFFICER/DESIGNATED PERSON	JAMIE HOLLIS	HEAD OF LEGAL & COMPLIANCE	LEGAL SERVICES

APPENDIX B

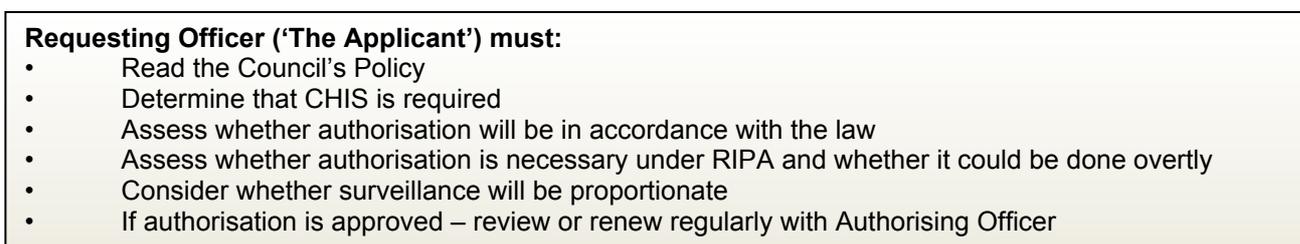
FLOWCHART 1: DIRECTED SURVEILLANCE

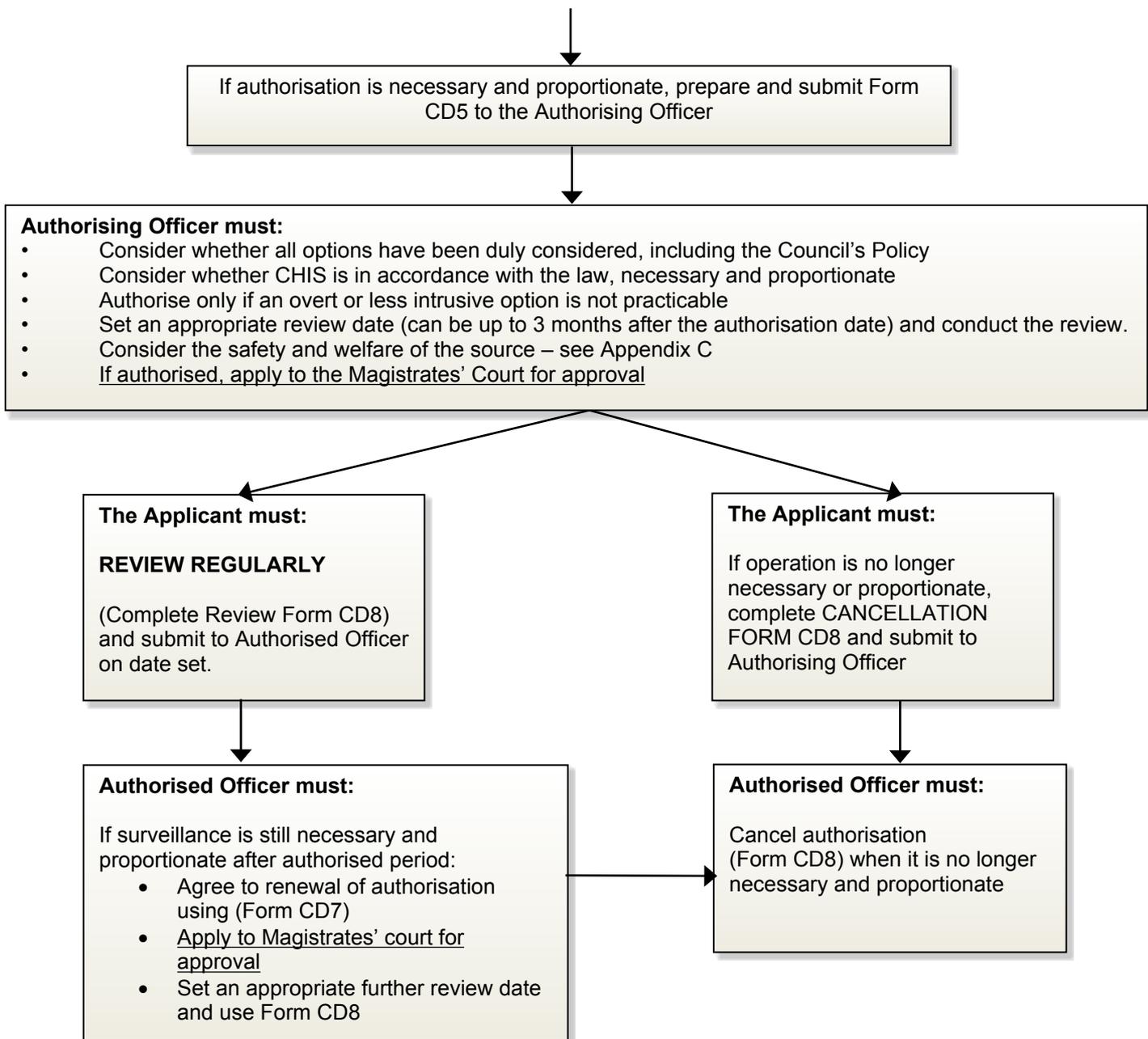
Requesting Officer ('The Applicant') must:

- Read the Council's Policy
- Determine that directed surveillance is required
- Assess whether authorisation will be in accordance with the law
- Assess whether authorisation is necessary under RIPA and whether it could be done overtly
- Consider whether surveillance will be proportionate
- If authorisation is approved – review or renew regularly with Authorising Officer



FLOWCHART 2: CHIS





APPENDIX C

Additional Notes on CHIS (from Home Office Code of Practice)

Management of sources

Tasking

Tasking is the assignment given to the CHIS by the persons defined at sections 29(5)(a) and (b) of the 2000 Act, asking him to obtain, provide access to or disclose information. Authorisation for the use or conduct of a CHIS will be appropriate prior to any tasking where such tasking involves the CHIS establishing or maintaining a personal or other relationship for a covert purpose.

Authorisations should not be drawn so narrowly that a separate authorisation is required each time the CHIS is tasked. Rather, an authorisation might cover, in broad terms, the nature of the source's task. If there is a step change in the nature of the task that significantly alters the entire deployment, then a new authorisation may need to be sought. If in doubt, advice should be sought from the Investigatory Powers Commissioner.

It is difficult to predict exactly what might occur each time a meeting with a CHIS takes place, or the CHIS meets the subject of an investigation. There may be occasions when unforeseen action or undertakings occur. When this happens, the occurrence must be recorded as soon as practicable after the event, and if the existing authorisation is insufficient, it should either be reviewed and updated (for minor amendments only) or it should be cancelled and a new authorisation should be obtained before any further such action is carried out.

Similarly, where it is intended to task a CHIS in a significantly greater or different way than previously identified, the persons defined at section 29(5)(a) or (b) of the 2000 Act must refer the proposed tasking to the authorising officer, who should consider whether the existing authorisation is sufficient or needs to be replaced. This should be done in advance of any tasking and the details of such referrals must be recorded. Efforts should be made to minimise the number of authorisations per CHIS to the minimum necessary in order to avoid generating excessive paperwork.

Security and welfare

Any public authority deploying a CHIS should take into account the safety and welfare of that CHIS when carrying out actions in relation to an authorisation or tasking, and the foreseeable consequences to others of that tasking. Before authorising the use or conduct of a CHIS, the authorising officer should ensure that a risk assessment is carried out to determine the risk to the CHIS of any tasking and the likely consequences should the role of the CHIS become known. This should consider the risks relating to the specific tasking and circumstances of each authorisation separately, and should be updated to reflect developments during the course of the deployment, as well as after the deployment if contact is maintained. The ongoing security and welfare of the CHIS, after the cancellation of the authorisation, should also be considered at the outset and reviewed throughout the period of authorised activity by that CHIS. Consideration should also be given to the management of any requirement to disclose information which could risk revealing the existence or identity of a CHIS. For example this could be by means of disclosure to a court or tribunal, or any other circumstances where disclosure of information may be required, and strategies for minimising the risks to the CHIS or

others should be put in place. Additional guidance about protecting the identity of the CHIS is provided at paragraphs 8.22 to 8.25 of the Home Office CHIS guidance.

The CHIS handler is responsible for bringing to the attention of the CHIS controller any concerns about the personal circumstances of the CHIS, insofar as they might affect:

- the validity of the risk assessment;
- the conduct of the CHIS; and
- the safety and welfare of the CHIS.

Where appropriate, concerns about such matters must be considered by the authorising officer, and a decision taken on whether or not to allow the authorisation to continue.

APPENDIX D

LIST OF FORMS IN USE FOR COVERT SURVEILLANCE

Form CD1: Directed Surveillance Application

Form CD2: Directed Surveillance Cancellation

Form CD3: Directed Surveillance Renewal

Form CD4: Directed Surveillance Review

Form CD5: CHIS Application

Form CD6: CHIS Cancellation

Form CD7: CHIS Renewal

Form CD8: CHIS Review

APPENDIX E

GUIDANCE ON ACCESSING COMMUNICATIONS DATA

Any application for communications data (the who, when and where of a communication) must be completed on the CycComms data workflow system on the National Anti-fraud Network website at www.nafn.gov.uk. CycComms is an automated process which will enable you to apply for information, receive responses and manage your application. The National Anti-fraud Network SPoC, will act as a gatekeeper for your application, ensuring that it is practical and lawful and will engage with you to proactively provide advice, support and the most appropriate route which may require judicial approval. If it meets the legal threshold for obtaining communications data NAFN will post it on the website for approval by the appropriate Designated Person.

This procedure necessitates the applicant to be registered with the National Anti-fraud Network prior to making the application. For details on how to do this the applicant should visit www.nafn.gov.uk.

If rejected, by the Designated Person, NAFN will retain the application and inform the applicant in writing of the reason(s) for its rejection.

Comprehensive guidance on the application process is also available via the National Anti-fraud Network website at www.nafn.gov.uk.

Regulatory & Audit Committee

Title:	Feedback, Compliments and Complaints Procedure
Date:	Thursday 4 April 2019
Author:	Jamie Hollis
Contact officer:	Kate Mitchelmore
Local members affected:	All areas

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The purpose of this report is to present the Committee with a revised Feedback, Compliments & Complaints Procedure for consideration.

Recommendation

Committee is asked to:

Approve the draft Feedback, Compliments & Complaints Procedure

A: Background:

Members will recall the annual compliments and complaints report regularly referred to this Committee, which serves to outline activity in these areas over the preceding 12 month period. The annual report highlights trends and any particular issues for further attention, and is an opportunity to secure Committee feedback as to the process and its results. The procedure that underpins this process also falls within the remit of the Committee, and this enables the Committee to be involved in the entire end-to-end process.

The revised draft procedure attached to this report at **Appendix A** replaces the previous Feedback & Complaints Procedure. The draft follows a review of how the Council manages complaints with a particular emphasis on timescales and the quality of complaint responses. As a result of work in this area, we have seen improvements to both response times and the quality of responses over the last two years. In this revised procedure the time frames for stage 1 complaints have been reframed with a soft target of 10 working days and 20 working days for more complex cases, which reflects these

improvements and earlier discussions with the Committee about targets. The target for stage 2 complaints is set at 20 working days for all cases, to reflect the additional time required to deal with matters referred to this part of the process.

The draft procedure, once agreed, will be published on our website to be used by both staff and customers enquiring about complaints.

It should be noted that this procedure is for corporate complaints. There are separate procedures for children's and adults statutory complaints which are written in conjunction with The Children Act 1989 Representations Procedure (England) Regulations 2006 and Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

B: Resource implications

This proposal can be contained within existing resourcing so there should be no direct impact.

C: Legal implications

No legal implications.

D: Other implications/issues

No other implications.

E: Feedback from consultation, Local Area Forums and Local Member views (if relevant)

This matter was discussed at Regulatory & Audit Committee in August 2018 and comments from that meeting around timescales have been incorporated.

Background Papers

There are no background papers.

April 2019

FEEDBACK, COMPLIMENTS & COMPLAINTS PROCEDURE

Buckinghamshire County Council

Introduction/Overview

Buckinghamshire County Council welcomes feedback from its customers. This document explains how we record and act upon this feedback, listening to the experiences of our customers - positive or negative - to make improvements in services.

This procedure deals with compliments, complaints and suggestions for improvement. It does not cover social care complaints for children's or adults services, because there are separate legal processes for dealing with those complaints.

Why does the council have this procedure?

We want to make sure that:

- We hear people's views and experiences of our services.
- We learn from complaints and use them to improve our services and ways of working.
- There are simple and effective ways for people to make a complaint.
- We deal with complaints fairly and consistently.
- People who send us a complaint get a full response within the agreed timescales (unless there is a valid reason as to why this is not possible).
- We encourage an open and transparent environment that people trust and engage with.

Our approach is built on six principles for successful complaint handling, as recommended by the Local Government & Social Care Ombudsman:

Accessibility	The complaints process will be well publicised and we will ensure that it is understood by both staff and customers.
Communication	There will be early and continuous contact with the person making the complaint. Appropriate communication will exist between council staff and customers and between council staff and partner organisations.
Fairness	The organisation will deal with complaints in an impartial, open and honest way and the response will be proportionate to the complaint made.
Timeliness	The organisation will aim to deal with complaints in a timely manner. It should take no longer than 12 weeks to resolve a complaint from receipt to resolution.
Credibility	We will manage the complaints system effectively ensuring that there is challenge in the system to allow for any necessary changes to be made. We will ensure that the complaints process has a high profile across the council.
Accountability	We will provide clear and open information. We will follow up on learning and actions to be taken as a result of complaints.

How Will We Receive Complaints, Compliments or Feedback?

- Email: Complimentsandcomplaints@buckscc.gov.uk
- Online form: <https://www.buckscc.gov.uk/services/contact-and-complaints/compliments-complaints-and-suggestions/>
- Letter: Compliments & Complaints Team, Buckinghamshire County Council, County Hall, Aylesbury, Buckinghamshire, HP20 1UA
- Telephone: Compliments & Complaints Team 01296 387844

What is a complaint?

Any expression of dissatisfaction about a council service (whether that service is provided directly by the council or by a contractor or partner) that requires a response.¹

The council uses this definition from the Local Government & Social Care Ombudsman to assess complaints. There is a close link between service requests and complaints. We record first time contacts as service requests, rather than complaints, and encourage services to work with the customer to resolve the issue. This is sometimes called 'local resolution'. Where local resolution hasn't happened, invariably the customer will come back to us to make a complaint.

When assessing what is a complaint, we look at:

- the tone of the correspondence
- whether the customer has said they want to make a complaint
- what the issue is and
- what the customer would like to happen next.

This is not an exhaustive list and we do consider each issue individually.

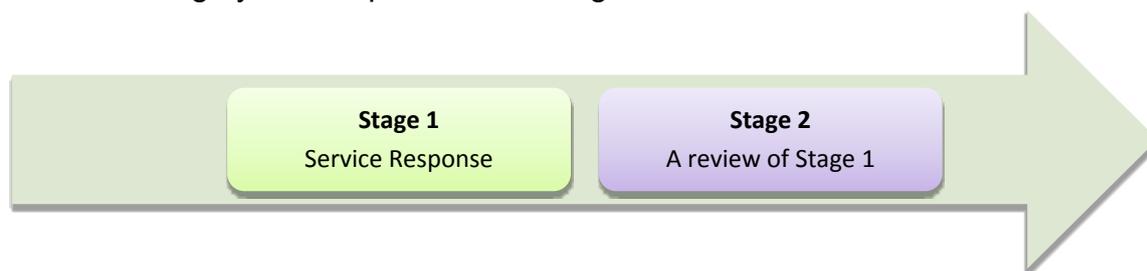
We accept complaints from anyone using a service from the council, or anyone acting on behalf of a person or organisation using a service from the council.

Corporate Complaints Procedure

This procedure covers all complaints except for children's and adult social care complaints. A complete list of exceptions can be found on appendix 1.

¹ From the Local Government & Social Care Ombudsman's *Guidance on Running a Complaints System*

We will manage your complaint in two stages:



Stage 1

- When a customer raises an issue, we will check to see whether we should treat it as a complaint under this procedure.
- We will acknowledge receipt of the complaint by email, post or phone within five working days.
- A senior officer from the service being complained about will oversee an investigation to try and resolve the issues.
- We will provide a written response within 20 working days, but wherever possible, we aim to respond within 10 working days. If we are not able to do this, we can extend the timescale and we will let the customer know.

Stage 2

- If the customer is not satisfied with the outcome at stage 1, they can ask for the Deputy Monitoring Officer to independently review their complaint.
- The customer should provide full details in writing of which parts of the complaint remain unresolved. In addition, a desired outcome should be given. Email: stage2@buckscc.gov.uk or write to: Stage 2 Complaints, Buckinghamshire County Council, County Hall, Aylesbury, Buckinghamshire, HP20 1UA
- Once we receive the request, the Deputy Monitoring Officer will consider whether a Stage 2 review is appropriate. We will write to the customer within 5 working days to tell them how we are going to proceed.
- If accepted, the Deputy Monitoring Officer will conduct a Stage 2 review independently from the service being complained about, and send the customer their response.
- We will aim to provide a written response within 20 working days. If we are not able to do this, we will let the customer know and give a new timescale.

We reserve the right to refuse a complaint at either stage 1 or stage 2 of the complaints procedure for example if there is any other process available to deal with the issue. If we do refuse a complaint, we will explain why and tell the person making the complaint where else they can take their complaint (e.g. to Local Government & Social Care Ombudsman).

The Local Government and Social Care Ombudsman

If the customer is not satisfied after receiving the Stage 2 response, they can refer their complaint to the Local Government and Social Care Ombudsman. To contact the ombudsman please see their website:

www.lgo.org.uk

Learning from Complaints

Our customers' opinions are really important to us. We are open to learning from complaints and using them to improve our services. We record compliments, complaints and concerns on our corporate complaints management system. We provide information about complaints to senior managers across the council. We also track the learning and changes made as a result of complaints.

Compliments, Comments and Feedback

As well as hearing about when things go wrong, the council would like to hear about times when things go well. If you feel that someone has gone the extra mile or that something has worked well for you, then please let us know. We also record compliments on our system and provide feedback to services.

We would also like to hear from customers about how we are doing and any suggestions for improvement. When we receive this feedback, we pass it on to the appropriate services for them to deal with or respond to as appropriate.

Vexatious and Persistent Complainants

Occasionally, service users act in an abusive, unreasonably persistent or vexatious manner. When this happens, we follow guidelines from our Vexatious and Persistent Complainants Policy.

<https://www.bucksc.gov.uk/media/4512637/vexatious-persistent-complainants-policy-2018-v1.pdf>

Review of the Procedure

The council's Monitoring Officer will review this Feedback and Complaints Procedure every year.

Appendix 1

Scope of the Feedback, Compliments & Complaints Procedure

This procedure covers all complaints except:

- Statutory complaints about Children's or Adults Social Care Services (there are separate processes to deal with these). For more information, or to make a complaint about Children's or Adults Social Care Services, please contact:
Email - Complimentsandcomplaints@buckscc.gov.uk
Telephone – 01296 387844
Address – Compliments & Complaints Team, County Hall, Walton Street, Aylesbury, HP20 1UA
- School complaints, unless the complaint is about the County Council's statutory education responsibilities. Customers should send complaints to the relevant school, as schools have their own complaints procedures.
- Where there is already an appeals process for decisions (e.g. planning applications, home to school transport, school admissions). We can only investigate the handling of the application under our complaints procedure, not the decision itself.
- Complaints about county councillors. The council's Monitoring Officer deals with these under a separate policy and procedure. Customers can contact the Monitoring Officer using an online form on our web site.
<https://www.buckscc.gov.uk/services/contact-and-complaints/complain-about-a-councillor/>
- All potential insurance claims. The council's insurance team deals with these.
<https://www.buckscc.gov.uk/services/transport-and-roads/report-a-highways-problem/claim-for-damage/>
- Potential data incidents or data breaches under the Data Protection Act 2018. These must be reported to the Council's Data Protection Officer as soon as possible so an investigation can be undertaken, and a referral made to the Office of the Information Commissioner if necessary. Email:
dataprotection@buckscc.gov.uk
- Where a customer is dissatisfied with the outcome or processing of a Freedom of Information or Environmental Information Request or a Subject Access Request. There is a separate process of internal review and then escalation to the Office of the Information Commissioner should the applicant remain dissatisfied.

- Complaints about Local Government Pensions. There is a separate procedure for these (please see our website for more information).
- Where any parallel legal processes have already started (or where it is considered appropriate for the complainant to start legal proceedings). Please note that if the complainant wishes to submit a further complaint after the conclusion of those legal proceedings, we are not able to consider any points which the court has (directly or indirectly) considered. In these circumstances we reserve the right to refuse to accept any/all aspects of the complaint, as appropriate.
- We will not process anonymous complaints. We log these instead as service requests, unless the complaint raises issues of wider concern to the council that can be dealt with without further input from the complainant.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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of the Local Government Act 1972.

Document is Restricted

