



## Audit Committee

Date: 31 May 2018  
Time: 7.00 pm  
Venue: Committee Room 1  
District Council Offices, Queen Victoria Road, High Wycombe Bucks

### Membership

Chairman: Councillor M C Appleyard  
Vice Chairman: Councillor R J Scott

Councillors: G C Hall, M Hanif, A Lee, Ms C J Oliver, N J B Teesdale and R Wilson

### Standing Deputies

Councillors P R Turner, D A C Shakespeare OBE, C Whitehead and K Ahmed

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## Agenda

| Item |   | Page  |
|------|---|-------|
| 1    | <b>Apologies for Absence</b><br>To receive any apologies for absence.   |       |
| 2    | <b>Minutes</b><br>To confirm the minutes of the meeting held on 25 January 2018.  | 1 - 5 |
| 3    | <b>Declarations of Interest</b><br>To receive any disclosure of disclosable pecuniary interests by Members relating to items on the agenda. If any Member is uncertain as to whether an interest should be disclosed, he or she is asked if possible to contact the District Solicitor prior to the meeting.<br><br>Members are reminded that if they are declaring an interest, they |       |

| <b>Item</b> | <b>Page</b>   |
|-------------|---|
|             | should state the nature of that interest whether or not they are required to withdraw from the meeting.   |
| 4           | <b>2017/18 Service Performance: Annual</b> 6 - 13   |
| 5           | <b>Health and Safety Annual Report 2017/18 &amp; Work Programme 2018/19</b> 14 - 29   |
| 6           | <b>EY Audit Progress Report</b> 30 - 37   |
| 7           | <b>EY Annual Fee Letter 2018/19</b> 38 - 41   |
| 8           | <b>Annual Review of the Audit Committee's Terms of Reference</b> 42 - 48  |
| 9           | <b>Proposed Internal Audit Programme 2018/19</b> 49 - 57  |
| 10          | <b>Review of the Anti Fraud and Corruption Policy</b> 58 - 71   |
| 11          | <b>Business Assurance Manager's Annual Report (Including the Local Code of Governance)</b> To Follow  |
| 12          | <b>Draft Annual Governance Statement</b> To Follow  |
| 13          | <b>Audit Committee Work Programme</b> 72 - 73   |
| 14          | <b>Information Sheets</b> 74 - 76   |
|             | Submission of Information Sheets in so far as they affect this Committee. Members are reminded to give 24 hours notice if they wish to ask a question on an Information Sheet to ensure that an answer can be given at the meeting. |
|             | <ul style="list-style-type: none"> <li>• 02/2018 RIPA Annual Report</li> </ul>  |
| 15          | <b>Supplementary Items</b><br>If circulated in accordance with the five clear days' notice provision.   |
| 16          | <b>Urgent Items</b><br>Any urgent items of business as agreed by the Chairman.  |

**For further information, please contact Jemma Durkan**  
**[jemma.durkan@wycombe.gov.uk](mailto:jemma.durkan@wycombe.gov.uk) on 01494 421635,**  
**[committeeservices@wycombe.gov.uk](mailto:committeeservices@wycombe.gov.uk)**

## Audit Committee Minutes

Date: 25 January 2018

Time: 7.00 - 7.57 pm

**PRESENT:** Councillor M C Appleyard (in the Chair)

Councillors A Lee, Ms C J Oliver, R J Scott and N J B Teesdale, P R Turner

**Also present:** Sue Gill, (External Auditor, Ernst & Young)

### 34 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Hall, Councillor Wilson and Maria Grindley, Ernst & Young.

### 35 MINUTES

Regarding Minute 30 it was confirmed that the Chairman would write a letter to the Chief Executive of Wycombe District Council.

**RESOLVED:** That the minutes of the meeting held on 16 November 2017 be confirmed as a correct record and signed by the Chairman.

### 36 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 37 CERTIFICATION OF GRANTS AND CLAIMS

The Committee received the Ernst and Young Certification of Grants and Claims Annual Report 2016-17. It was noted that no recommendations for action had been identified in the report.

The Revenues and Benefits Manager, Andy Green, explained that the 2016/17 audit highlighted the improvements made since the last audit.

The Auditor, Sue Gill, thanked the Housing Benefit team for all their help and cooperation in accessing the information for the audit. It was noted that the information required was imposed by the Department for Work and Pensions and with the support of the team the audit had been positive.

It was noted that the outcome from the audit showed improvement from last year with the value of errors found to be £1,387 (0.003%) out of the total subsidy claim for £46m. The Revenues and Benefits Manager provided an explanation on the

thresholds set by DWP for Local Authority errors and the value of these errors. It was reported that the DWP set the limit at £241,297.

In response to Members queries it was noted that there was random initial testing on cases and if errors were found then more extensive/extended testing was required.

Regarding housing benefit fraud it was reported that from 2013 the DWP were responsible to investigate any suspected fraud. However the District Council were responsible for investigating Council Tax Reduction fraud.

**RESOLVED:** That the EY Certification of Grants and Claims Annual Report 2016-17 be noted.

### **38 ERNST & YOUNG ANNUAL AUDIT PLAN**

The Committee received the EY Annual Audit Plan for 2017/18. It was noted that the two significant risks to the opinion on the financial statement identified (risk of fraud in revenue and expenditure, and risk of management override) were standard risks and considered at all audits. It was reported that there were no particular risks to draw to Members' attention.

In response to a Member query it was reported that the methodology used by the actuary audit firms for pension disclosures was being considered in more detail. It was noted that there were several levels of assurance undertaken in this area.

**RESOLVED:** That the EY Annual Audit Plan for 2017/18 be noted.

### **39 ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY**

The Committee received a report which presented the 2018 Risk Management Policy. The Business Assurance Manager reported that the Policy was now aligned with the refreshed Corporate Plan and noted that the Corporate Governance Group was no longer in place. In respect of the oversight and reporting of the Councils' risk management arrangements this would now reside with senior officers.

In response to a query it was noted that once agreed the Policy would be distributed to senior managers. Also that the risk score matrix applied to Wycombe District Council and had been refreshed along with the Corporate Plan.

Regarding resources to implement the Policy it was reported that work was underway to revise the process for collating both the strategic risk register and service based operational risk registers and recently purchased risk software would be used to hold risk register information.

**RESOLVED:** That the Risk Management Policy 2018 be approved.

### **40 DRAFT AUDIT COMMITTEE ANNUAL REPORT**

The Committee received a report which presented the draft 2017 Annual Report that reflected the work of the Committee during 2017 and provided information regarding the Committee's work programme for 2018.

It was noted that work would be undertaken on the next Annual Report and this was expected to be more streamlined and would provide information on outcomes of work undertaken.

**RESOLVED:** That the draft 2017 Annual Report of the Audit Committee be agreed.

#### **41 TREASURY MANAGEMENT STRATEGY 2018/19**

The Head of Finance and Commercial presented the Treasury Management Strategy for 2018/19.

It was noted that the final version of the Strategy would be presented to Cabinet on 5 February 2018, to recommend to Council for approval.

In response to a query it was reported that work would be undertaken in the near future to look at key Council contracts.

**RESOLVED** that:

- (i) the Treasury Management Strategy Statement and Prudential Indicators for 2018/19, be noted;
- (ii) the draft Annual Investment Strategy (AIS) for 2018/19 at Appendix 1, be noted,
- (iii) the draft Treasury Management Policy Statement, attached at Appendix 1 of the report, be noted,
- (iv) the Head of Finance & Commercial be authorised to update the prudential indicators and the report following completion of work on 2018/19 capital programme.

#### **42 AUDIT COMMITTEE WORK PROGRAMME**

The Audit Committee work programme as appended to the agenda was reviewed by the Committee. The Committee noted that the meeting in March had been cancelled and dates had been amended to reflect the timeline for the delivery of the Statement of Accounts.

As there was currently no provision in the timetable for the mid-year Treasury Management report a date could be amended to allow for this to be considered.

**RESOLVED:** That the work programme be noted.

## **EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:** That the Press and Public be excluded from the meeting during consideration of the following item as it contains exempt information as defined in Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, more particularly as follows:

Minute 43 – Q3 Strategic Risk Register Monitoring Report

Information relating to the financial or business affairs of any particular person (including the authority holding that information (Paragraph 3, Part 1 of schedule 12A, Local Government Act 1972)

[The need to maintain the exemption outweighs the public interest in disclosure because disclosure could prejudice the Council's position in any future tender process or negotiations]

## **43 QUARTER 3 - STRATEGIC RISK REGISTER MONITORING REPORT**

The Committee received a report which provided an update on the Strategic Risk Register for Quarter 3, 2017/18. The Business Assurance Manager provided specific information on various risks and amendments to the register.

The Committee were reminded that risk owners could be invited to attend meetings as required in order to provide information relating to the individual strategic risks that they are responsible for. The Chairman suggested that a Senior Manager be invited to a future meeting regarding Emergency Response Planning.

Also following a discussion the Committee requested that an audit trail be provided as to the decisions taken by the Senior Management Board regarding changes to risks and actions taken with regards to the Strategic Risk Register.

**RESOLVED** that

- i) a senior officer be invited to attend a future Audit Committee meeting regarding Emergency Response Planning,
- ii) Minutes of the Strategic Management Board be produced to inform the Committee on the changes and actions taken regarding the Strategic Risk Register,
- iii) the Strategic Risk Register for Quarter 3 2017/18 be noted.

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Chairman

**The following officers were in attendance at the meeting:**

- Jemma Durkan - Senior Democratic Services Officer
- Mike Howard - Business Assurance Manager
- Andy Green - Revenues and Benefits Service Manager
- David Skinner - Head of Finance & Commercial

# Agenda Item 4

## 2017/18 SERVICE PERFORMANCE: Q4 (January – March)/ Annual

Officer contact: Aisha Bi DDL: 01494 421981, Email: [aisha.bi@wycombe.gov.uk](mailto:aisha.bi@wycombe.gov.uk)

**Wards affected:** All

### ***PROPOSED DECISION***

To review performance as at 31 March 2018 to ensure that the Council is performing at the appropriate level.

#### **Corporate Implications**

1. Corporate business planning and monitoring contributes to the discharge of the Council's functions as authorised by Section 111 of the Local Government Act 1972.
2. Quarterly monitoring of performance enables areas of under-performance to be identified and remedial action to be taken in 'real time' so that there are no surprises at year end.
3. The quarterly monitoring of the quality of the data ensures that it is fit for purpose for decision making and complies with the characteristics of good data quality as set out by the Audit Commission and embedded within the Council's performance management framework and data quality policy.

#### **Executive Summary**

This report provides an updated of all the corporate performance measures for Q4 (January – March).

#### **Sustainable Community Strategy/Council Priorities - Implications**

Performance measures provide an additional information with regard to the achievement of key objectives and support the aims of the Sustainable Community Strategy and the Council's Priorities as set out in the Corporate Plan.

#### **Background**

The Council corporately reports 42 performance measures. A report providing an update on these performance measures is circulated to Strategic Management Board, Cabinet, and Audit Committee each quarter.




#### **Consultations**

Service performance was considered by Strategic Management Board on 16 May 2018 and Cabinet on 4 June 2018

#### **Executive Summary**




Appendix A: 12 corporate performance measures that are also reported to Strategic Management Board, and Cabinet.






| <b>Performance Symbol Key</b>   |  |
|---|--|
|  | Measure has exceeded target by more than 5%                |
|  | Measure is within +/- 5% of target                         |
|  | Measures is more than 5% away from target                  |
| n/a   | Measure has no target set as used for data collection only |

## Corporate overview

Quarter four performance breakdown by service area

| <b>Service Area</b>               |  |  |  | N/A        |
|-----------------------------------|---|--|---|------------|
| Democratic, Legal, and Policy     | -   | 1  | -   | 2          |
| Community                         | -   | -  | -   | 4          |
| Environment                       | 1   | 6  | 1   | 6          |
| Planning                          | 2   | 5  | -   | -          |
| HR, ICT & Shared Support Services | 2   | 4  | -   | -          |
| Finance                           | -   | 3  | 2   | 3          |
| <b>Total</b>                      | 5 (12%)   | 19 (45%)   | 3 (7%)  | 15 (36%)   |
| <b>Q4 Last year</b>               | 8 (19.5%)   | 16 (39%)   | 2 (5%)  | 15 (36.5%) |

Annual performance breakdown by service area

| <b>Service Area</b>               |  |  |  | N/A      |
|-----------------------------------|---|--|---|----------|
| Democratic, Legal, and Policy     | -   | 1  | -   | 2        |
| Community                         | -   | -  | -   | 4        |
| Environment                       | 1   | 6  | 1   | 6        |
| Planning                          | 2   | 5  | -   | -        |
| HR, ICT & Shared Support Services | 3   | 3  | -   | -        |
| Finance                           | -   | 4  | 1   | 3        |
| <b>Total</b>                      | 6 (14%)   | 19 (45%)   | 2 (5%)  | 15 (36%) |
| <b>Annual last year (2016/17)</b> | 8 (19.5%)   | 17 (41.5%)   | 2 (5%)  | 14 (34%) |

## Other Key Exceptions and Issues

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### **Average time for processing new HB / CTB claims (days) Actual: 25 Target: 20**

Performance measure is reported cumulative, actual figure for March is 20.6 days. There is a national shortage of benefit staff hence both Northgate and CAPITA were unable to match our requirements last year. However the team are being proactive and are training up (initially) two council tax staff to learn benefits in the coming months. It's a lengthy process but in the long term will allow greater flexibility within the wider team to assist in meeting demand in future.

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### **% of programmed food premises interventions carried out**

**Actual: 82% Target:90%**

The data provided is provisional. We expect that actual performance will be better as inspections can take place up to 28 days after due date. During this quarter we also experienced a change in contracted staff. Although this quarter's performance is off target the end of year performance was within target (actual 95% target 90%).

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### **2018/19 Performance reporting**

The role of performance reporting is to measure delivery against our corporate plan. During 2017/18 we refreshed our corporate plan; which now outlines what we want to achieve up until 2020. Our performance metrics will be updated to reflect the refreshed corporate plan.

Appendix A: Quarter four (January – March)/ Annual performance 2017-18 key performance measures

| Community Portfolio |   | 2016/17 Actual | 2017/18 Targets | Q1      | Q2      | Q3      | Q4      | Annual  |           | Snapshot*<br>*Q1 2015/16 to present |
|---------------------|---|----------------|-----------------|---------|---------|---------|---------|---------|-----------|-------------------------------------|
| Code                | Measure   |                |                 |         |         |         |         | Actual  | Alert     |                                     |
| CS001a              | Number of users of Wycombe Leisure Centre   | 702,780        | Data Only       | 186,777 | 163,150 | 155,181 | 185,351 | 690,459 | Data Only |                                     |
| Comment:            | During this year there were 690,459 visitors to the leisure centre, compared to the previous year there has been a 1.75% decrease which equates to 12,321 visitors. The snowfall in December resulted in a drop in attendance which has impacted on the end of year figure. |                |                 |         |         |         |         |         |           |                                     |
| CS002               | Number of visits to Wycombe Museum  | N/A            | Data Only       | 21,704  | 21,319  | 13,100  | 19,312  | 75,435  | Data Only |                                     |
| Comment:            | During Q4 over 19,000 individuals visited the museum, an increase of more than 4,000 visitors when compared to the same period last year (15,070 visitors Q4 last year).  |                |                 |         |         |         |         |         |           |                                     |

| Environment Portfolio |  | 2016/17 Actual | 2017/18 Targets | Q1    | Q2    | Q3    | Q4    | Annual |       | Snapshot*<br>*Q1 2015/16 to present |
|-----------------------|--|----------------|-----------------|-------|-------|-------|-------|--------|-------|-------------------------------------|
| Code                  | Measure  |                |                 |       |       |       |       | Actual | Alert |                                     |
| NI192 (JWS5)          | % of household waste reused, recycled and composted  | 52%            | 52%             | 54.1% | 54.5% | 53.6% | 48.8% | 52.8%  |       |                                     |
| Comment:              | Figures for Q4/ end of year are provisional as the Waste Team is awaiting some third party data. As usual in Q4 the overall recycling rate has reduced compared to the previous quarter, due to the increase in refuse tonnages collected after Christmas and the reduction in garden waste tonnage. The overall performance for this year is within target. |                |                 |       |       |       |       |        |       |                                     |



Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Appendix A: Quarter four (January – March)/ Annual performance 2017-18 key performance measures

| Environment Portfolio |  | 2016/17 Actual | 2017/18 Targets | Q1    | Q2    | Q3    | Q4    | Actual |       | Snapshot*<br>*Q1 2015/16 to present |
|-----------------------|--|----------------|-----------------|-------|-------|-------|-------|--------|-------|-------------------------------------|
| Code                  | Measure  |                |                 |       |       |       |       | Actual | Alert |                                     |
| BV082ai (JWS1)        | % of household waste recycled  | 25.2%          | 25.2%           | 22%   | 22.8% | 25%   | 28.1% | 24.3%  | ●     |                                     |
| BV082aii (JWS3)       | Tonnage of household waste recycled  | 24,879         | 24,879          | 5,466 | 5,713 | 5,806 | 6,574 | 23,558 | ●     |                                     |
| Comment:              | Performance this year is slightly below target but within an acceptable range.   |                |                 |       |       |       |       |        |       |                                     |
| BV082bi (JWS2)        | % of household waste composted   | 27.1%          | 27%             | 32.4% | 31.7% | 28.4% | 20.6% | 28.4%  | ●     |                                     |
| BV082bii (JWS4)       | Tonnage of household waste composted   | 26,301         | 26,689          | 8,206 | 7,952 | 6,559 | 4,808 | 27,525 | ●     |                                     |
| Comment:              | During Q4 garden waste collections were suspended to make resources available to catch up with collections missed due to snow and the usual suspension after Christmas. However tonnage of household waste composted has remained high and much of this can be attributed to the increased food tonnages following the recent communications sent out to residents. For example, 898.9 tonnes of food was waste collected in January 2018, compared with 723.7 tonnes in January 2017. |                |                 |       |       |       |       |        |       |                                     |

| Housing Portfolio | 2016/17 | 2017/18 | Q1 | Q2 | Q3 | Q4 | Annual | Snapshot* |
|-------------------|---------|---------|----|----|----|----|--------|-----------|
|-------------------|---------|---------|----|----|----|----|--------|-----------|



Measures have exceeded target by more than 5%

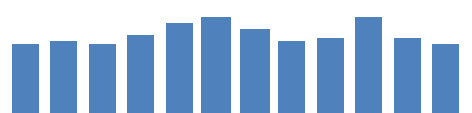


Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Appendix A: Quarter four (January – March)/ Annual performance 2017-18 key performance measures

| Code             | Measure   | Actual | Targets |     |     |     |     | Actual | Alert | *Q1 2015/16 to present  |
|------------------|---|--------|---------|-----|-----|-----|-----|--------|-------|---|
| ES006            | Number of households in temporary accommodation (TA)  | 82     | N/A     | 85  | 109 | 85  | 79  |        | N/A   |  |
|                  | Bed and Breakfast (family units)  |        |         | 16  | 28  | 21  | 10  |        |       |   |
|                  | Saunderton Lodge  |        |         | 27  | 32  | 28  | 31  |        |       |   |
|                  | Registered Provider   |        |         | 39  | 46  | 34  | 37  |        |       |   |
|                  | WDC retained properties   |        |         | 3   | 3   | 2   | 1   |        |       |   |
| Comment:         | At the end of March 2018 79 households were in temporary accommodation. This is lower than this time last year (82 households.) The team continue to work in partnership with Registered Providers and Private landlords to meet demand.  |        |         |     |     |     |     |        |       |   |
| Page 11<br>ES009 | Percentage of people who approach WDC prevented from becoming homeless.   | NEW PI | N/A     | 39% | 36% | 56% | 55% | 46%    | NA    | NEW PI – No data to show  |
|                  | Number of people prevented from becoming homeless   |        |         | 120 | 130 | 174 | 175 | 599    |       |   |
|                  | Total number of approaches made to the housing team   |        |         | 307 | 359 | 310 | 318 | 1,294  |       |   |
| Comment:         | The figures for the total number of approaches made to the housing team have been reviewed to also include referrals received from our customer service centre in Coventry and referrals the team receive through emails. This is the first full year this data has been collected so has been used to calculate our base data. The measure includes the number of people assisted through the homelessness prevention fund. It is difficult to assist households into affordable private rented properties in the district due to market rents rising well above local housing allowance levels. |        |         |     |     |     |     |        |       |   |

| HR, ICT and Customer Services Portfolio | 2016/17 Actual | 2017/18 Targets | Q1 | Q2 | Q3 | Q4 | Annual | Snapshot*<br>*Q1 2015/16 to present |
|---|----------------|-----------------|----|----|----|----|--------|-------------------------------------|
|---|----------------|-----------------|----|----|----|----|--------|-------------------------------------|



Measures have exceeded target by more than 5%







Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Appendix A: Quarter four (January – March)/ Annual performance 2017-18 key performance measures

| Code             | Measure  |         |     | Actual | Actual | Actual | Actual | Actual  | Alert   |   |
|------------------|--|---------|-----|--------|--------|--------|--------|---------|---|---|
| BV12             | Sickness Absence   | 6.5     | 6.8 | 6.7    | 7      | 6.9    | 6.8    | 6.8     |  |  |
| Comment:         | Sickness absence performance is cumulatively calculated which means Q4/ end of year figures are the same. The sickness percentage for the year to date 31 March 2018 is 3%. The average number of days sick per officer is 6.8 days; lower than the average number of days sick per employee in local government (8.8 days) (Local Government Workforce Survey). |         |     |        |        |        |        |         |   |   |
| HR002<br>Page 12 | % of all calls to CSC abandoned  | 3.8%    | 5%  | 2.8%   | 3.4%   | 3.8%   | 4.3%   | 3.6%    |  |  |
|                  | Number of calls abandoned  | 6,667   |     | 1,203  | 1,449  | 1,504  | 1,829  | 5,985   |   |   |
|                  | Total number of calls  | 175,944 |     | 43,261 | 42,667 | 39,447 | 43,064 | 168,439 |   |   |
| Comment:         | During this year performance has consistently stayed within target throughout the year. We have also seen the total number of calls to the CSC dropped by approximately 7,500 calls compared to the previous year.   |         |     |        |        |        |        |         |   |   |



Measures have exceeded target by more than 5%


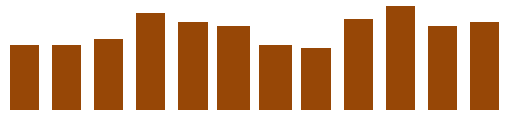


Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Appendix A: Quarter four (January – March)/ Annual performance 2017-18 key performance measures

| Planning Portfolio |   | 2016/17 Actual | 2017/18 Targets | Q1     | Q2     | Q3     | Q4     | Annual |   | Snapshot*<br>*Q1 2015/16 to present   |
|--------------------|---|----------------|-----------------|--------|--------|--------|--------|--------|---|---|
| Code               | Measure   |                |                 | Actual | Actual | Actual | Actual | Actual | Alert   |   |
| NI157a             | % of major applications determined in 13 weeks                                  | 72%            | 60%             | 89%    | 100%   | 80%    | 83%    | 85%    |  |  |
|                    | Determined in 13 weeks  | 34             |                 | 8      | 6      | 16     | 15     | 45     |   |   |
|                    | Number determined   | 47             |                 | 9      | 6      | 20     | 18     | 53     |   |   |
| Comment:           | Performance has consistently exceeded the government minimum set target of 60%. |                |                 |        |        |        |        |        |   |   |



Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

# Agenda Item 5

## Health and Safety – Annual Report 2017/18

Officer contact:

- Paul Spencer, Shared Support Services Manager - 01494-421107
- Pat Beveridge, Health & Safety Advisor - 01494-421973
- Chris Greenaway, Building Services Manager/Health & Safety Co-ordinator – 01494-421066

Wards affected: All

### PROPOSED DECISION

That the health and safety annual report for 2017/18 be noted.

### Corporate Implications

The Council has a duty to conform to the requirements of the Health and Safety at Work Act 1974, to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees at work and the health and safety of others affected by its undertakings, also the general requirements of the Management of Health and Safety at Work Regulations 1999.

### Executive Summary

1. Overall 2017/18 has been a relatively quiet year for health & safety, with a low number of accidents and incidents. Good progress has been made to tackle the relatively few risk areas that do exist, and all WDC service areas have been active to ensure that health & safety issues in their areas have been well managed.
2. The vast majority of the agreed actions on the Health & Safety work programme for 2017/18 have been completed (see Appendix 1 for more details). The exceptions have been the introduction of new software for accident reporting and undertaking DSE Assessments. Progress on implementing these 2 new systems has been suspended as a result of the decision by Bucks County Council not to renew the Service Level Agreement with WDC to provide a health and safety service beyond 31 March 2018.
3. As a result of the decision by Bucks CC we have explored a range of options to ensure that continuing H&S support is in place during 2018/19. After considering 3 separate proposals, we have decided to enter a partnership with Aylesbury Vale District Council from 1<sup>st</sup> April 2018, for a year initially with the opportunity to develop a closer working partnership thereafter.
4. During 2017/18 we have continued to ensure that all our policies are fully up to date. The Council's overarching Health and Safety Policy was reviewed and signed by Karen Satterford in September 2017. A range of other H&S policies have also been reviewed and issued over the last year.
5. A key risk area has been identified around ensuring that health & safety risks in external WDC premises are fully covered. We have therefore developed an initial health & safety checklist for Property Managers to use, and we have also run a



workshop with them to help clarify responsibilities for health and safety between Facilities Management and Property Managers.

6. In December 2016 it was agreed to review the health & safety management arrangements within the council. The new arrangements have worked well during 2017/18, but a recent Health and Safety Audit has identified the need for strengthened health and safety training for Heads of Services and Directors. This will be arranged during 2018.
7. All WDC service areas produced health & safety action plans during 2017/18, and progress on these has been reviewed at quarterly management meetings. Progress on all service plans is virtually complete, and work is now underway to complete new plans for 2018/19 by the end of May 2018
8. 2017/18 has been a quiet year for accidents and incidents with a reduction from 2016/17. Q4 was particularly quiet, with no reported accidents or near misses. There were also no additions to the Cautionary Contact Register this last quarter.
9. There have been no further complaints to Corporate Health and Safety from staff parking in Easton Street Car Park following the new interventions by Parking Services to deter rough sleepers. However the problems with drug users and dealers using the toilets remains.

### **Sustainable Community Strategy/Council Priorities - Implications**

10. People – The Health & Safety at Work Act recommends that an effective management structure and arrangements are in place delivering the policy, ensuring that all staff are motivated and empowered to work safely and to protect their long term-term health, not simply to avoid accidents.

### **Background and Issues**

#### **Health and Safety Work Programme 2017-18**

11. Following Bucks CC's decision not to renew the Service Level Agreement with WDC, costed proposals were sought for providing a similar service from other local authorities and independent Health and Safety Consultants. It has been agreed that Aylesbury Vale District Council (AVDC) offered the best replacement service at an economic rate. The new service level agreement with AVDC started on 1<sup>st</sup> April 2018, and will run for a year initially with the opportunity to develop a closer working partnership thereafter if it is successful. AVDC will provide a telephone and e-mail helpline, undertake two health & safety audits a year and be available to undertake consultancy work if the WDC corporate Health and Safety team need any additional expertise or support.
12. Detailed progress against the 2017/18 corporate work programme is summarised at Appendix 1. Other information is as follows:
  - The Council's Health and Safety Policy was reviewed and signed by Karen Satterford in September 2017 to acknowledge the Council's responsibility for managing health and safety.
  - The Health & Safety & Wellbeing responsibilities document (Section 1.5 of Health and Safety Policies and Procedures) details the responsibilities of each tier of the Council. This document will need to be re-signed by SMB and

Heads of Services during 2018/19, as several previous signatories have now left the Council.

- The Council's set of Health and Safety Policies and Procedures has continued to be updated. All policies and procedures are readily accessible on the Council's intranet (Wycopedia).
- Following consultation with WDC services a new Driving for Work Policy will be published in the near future. Other policies reviewed and published during 2017/18 are listed below:
  - 1.1 WDC's Health & Safety Policy
  - 1.2 Health and Safety consultation arrangements
  - 2.6a Checklist for Managers Working in Low Risk Environments
  - 2.6b Checklist for Heads of Service and Property Managers
  - 3.3 Fire safety in all Council premises
  - 4.3 Use of LPG cylinders & appliances
  - 6.1 Display Screen assessment (DSE)
  - 7.4 Management Guidance for the use of the Ken Morgan Room
  - 8.2 Blood borne diseases
  - 8.3 Work related infectious diseases
  - 8.6 Illness and infections
  - 8.7 Working outside in the summer
  - 9.4 Control of contractors
  - 9.11 Christmas safety tips
  - 9.12 Driving at work
  - 10.6 Hand arm vibration

**13** A checklist for managers has been produced (section 2.6b Health and Safety Policies and Procedures) clarifying the responsibilities between Services/Heads of Service/Property Managers and Facilities Management to manage health and safety issues in properties where the Service is the duty holder. A workshop for Property Managers was held on 10 April 2018 to discuss these issues to ensure health and safety is managed effectively.

**14** The Corporate Health and Safety Team are continuing to undertake individual DSE Assessments as required. 29 assessments have been completed during 2017-18. A range of different workstation accessories have been supplied including 8 vari-desks which allow individuals to stand/sit for part of the day as recommended by Public Health as an aid to well-being. Fifteen new fully adjustable chairs have been supplied, where necessary.

**15** Work to upgrade the lighting levels in main reception is now complete; all workstations are now compliant with the HSE's Lighting at Work guidance.

**16** Strong progress has been made on improving security arrangements on the QVR site during 2017/18. Following a visit and report by the South Eastern Counter Terrorism Unit (SECTU) a number of physical improvements have been made to the QVR site (eg additional perimeter lighting), and a new Bomb Threat & Terrorist Incident policy has been prepared. A wide range of security awareness training has been provided to both WDC employees, and other tenants based on the QVR site. Further work will be needed during 2018/19, but the Council's security arrangements are now significantly improved.

**17** We keep particular attention on a range of key WDC premises, as they tend to have a higher health & safety risk profile. During 2017/18 the following progress has been made:

- Saunderton Lodge was inspected on 9 January 2018. The issues found were mostly housekeeping related. The cross corridor fire doors had the hinge protection removed so that they would latch properly; however, this has introduced a new finger trap risk to young children. The contactor is sourcing different hinge protection so the doors will latch and the hinge protected. A weekly record listing checks of the fire doors, as required by the fire risk assessment remains an outstanding item. Other work to replace the corridor flooring with a surface that can be kept hygienically clean, kitchen units, some double glazed panels and showers has been commissioned by FM.
- Booker Depot: Serco, the waste contractor which occupies most of the site, was audited at the end of November 2017. Following receipt of the action points relevant to Wycombe District Council, Major Projects and Estates (MP&E), Health and Safety (H&S) and DBK (Management Agent) met on 16 January 2018 to discuss the action required and agree a formal response to the Waste Contract Group. A Site Risk Assessment has been drafted, as required by the Auditor and progress made on implementing the other action points.

Booker Depot was re-inspected on 13 February 2018 by the health & safety team, the Estates team and by DBK the site managers, and an action report drafted. There were no major issues but housekeeping remains an issue with some of the tenants. The perimeter fence had been breached leading to the possibility of trespassers accessing the site and a blocked drain had caused standing water to impede the pedestrian walkway and some of the traffic circulation route.

**18** Easton Street Car Park. During 2017/18 the Corporate Health and Safety team and Parking received a number of e-mails from employees concerned for their safety when parking in the Easton Street car park. However, following the introduction of evening foot patrols no further complaints have been received. Rough sleepers are now a very rare occurrence and if found are moved on immediately. The only problem remains with drug users/dealers and the occasional urination on stairs. Parking Services advise that there have been many occasions where males and females have been found in the female toilet cubicles taking drugs and evidence of needles; this also occurs in the male toilets. The security foot patrols remove any unattended drug paraphernalia and any persons not using the facilities appropriately during the evening patrols.

**19** Service Health and Safety Action Plans for 2017/18 have been largely completed. New updated plans for 2018/19 are already underway, and will be completed by end of May 2018

**20** Review of Health & Safety management arrangements – up until December 2016 the Council's health & safety management arrangements included both an Executive Group (consisting of all WDC Heads of Service) and an Operational Group (consisting of service lead representatives from a senior management level). This model had created some duplication between the groups, and so it

was agreed that from January 2017 onwards we would pilot a new arrangement by disbanding the Executive Group, and ensuring that (i) all Operational Group discussions were relayed to the Senior Management Board (SMB) on a quarterly basis, and (ii) that health & safety would be formally considered at all service Department Management Team (DMT) meetings to ensure the full engagement of Heads of Service and other managers.

**21** This new arrangement is summarised in the diagram at Appendix 2. It has now been in place for a year, and seems to have worked well:

21.1 Two independent H&S audits are carried out on different WDC services each year, so that we get an independent assurance of how well all WDC services are addressing H&S. One of the most recent audits (carried out by Bucks CC) has concluded that our H&S management arrangements work well

21.2 The Operational H&S Group is now chaired by the Head of HR, ICT & SSS, and reports quarterly to SMB. A new innovation is the production of an annual H&S report which will be considered by SMB and the Audit Committee each May

21.3 A strong internal framework of corporate work programme and service work programmes is in place. Progress against these targets is monitored regularly, and this report has shown the progress is very good

21.4 Monthly H&S KPI statistics are reported to the Head of HR, ICT & SSS. The frequency and type of accidents, near misses and any violent incidents are regularly collected and analysed

21.5 We have a full set of H&S policies and procedures in place, and these are readily available to all staff on the Council's intranet. A rolling programme of updates is constantly underway

21.6 A full H&S training programme is available for all staff to access.

**22** The recent independent H&S audit did note that as a result of the changes to the H&S management structure there is a risk that WDC Heads of Service may now be slightly more remote from regular recognition of health & safety risks. They did not consider this to be a major issue, but did recommend that the Council consider some H&S refresher training during 2018/19. This will be arranged during 2018.

**23** Otherwise it is concluded that the revised H&S management arrangements have worked well, and therefore the revised arrangements (see Appendix 2) have now been confirmed from April 2018 onwards

### **Proposed Health and Safety Work Programme 2018-19**

**24** Every year we develop a corporate health & safety work programme for the year – the plan for 2018/19 is attached as Appendix 3.

**25** Individual service areas are also already preparing their plans for 2018/19, and these will be completed by the end of May 2018. Key issues to be addressed this year include

- identifying health and safety training needs;
- undertaking risk assessments to include job based risk assessments, new and expectant mothers, young people and DSE;
- stress risk assessments as this is the major cause for workplace absence;

- return to work risk assessments, to reduce the likelihood of further lost working time;
- personal safety/lone working and training in the use of technological solutions in the interview rooms or when out on site
- encouraging the reporting of accidents/incidents
- commissioning contractors using PAS91 or SSIP to be consistent across WDC
- contract monitoring and
- security at work.

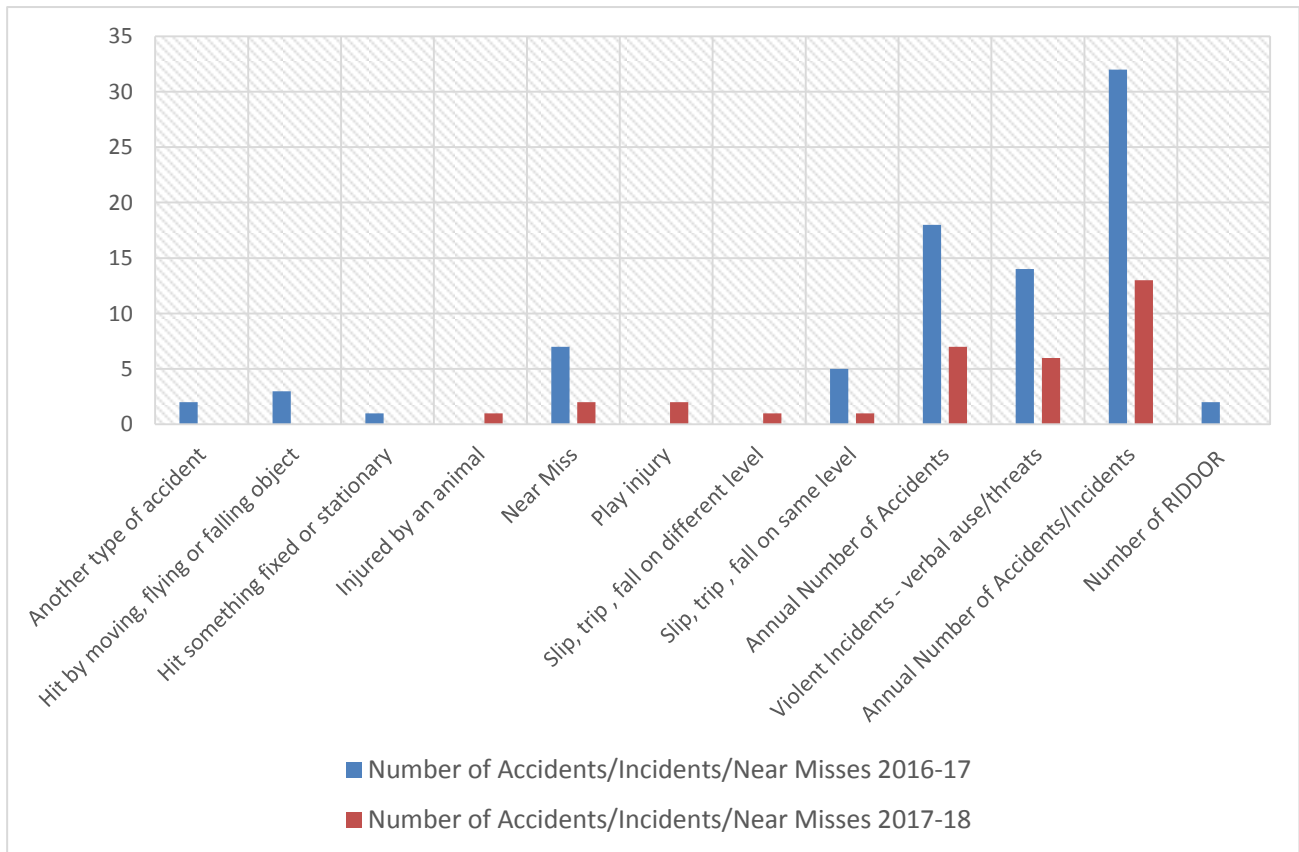
## Health and Safety Performance 2017/18

### Accidents Incidents and Near Misses

**26** 2017/18 has been a very quiet year for accidents and incidents, with a reduction in incidents from the last 2 years. During Q4 period, no accidents/near misses nor verbal abuse/threats/physical assaults have been reported.

|   | 2015/16         |                   | 2016/17         |                   | 2017/18         |                   |
|---|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
|   | Number Reported | RIDDOR Reportable | Number Reported | RIDDOR Reportable | Number Reported | RIDDOR Reportable |
| Accidents – Employees   | 7               | 0                 | 8               | 2                 | 5               | 0                 |
| Accidents – Non-employees   | 5               | 0                 | 2               | 0                 | 0               | 0                 |
| Near Misses   | 5               | N/A               | 6               | N/A               | 2               | N/A               |
| <b>Total Number of Accidents and Near Misses</b>                                    | <b>17</b>       | <b>0</b>          | <b>16</b>       | <b>2</b>          | <b>7</b>        | <b>0</b>          |
| Incidents of Illness where paramedics attended                                      | 1               | N/A               | 2               | N/A               | 0               | N/A               |
| Violence at Work Incidents (resulting in additions to Cautionary Contacts Register) | 9               | N/A               | 14              | N/A               | 6               | N/A               |

## Comparison Graph on Number of Accidents 2016-17 and 2017-18



- The table and graph above indicate that the number of accidents this year has fallen significantly; therefore it is difficult to detect any trends because of the small amount of data. As last year, 28% of all accidents and near misses are slips trips and falls; a further 28% were play accidents involving children at Saunderton Lodge. There was no lost time and therefore no accidents required reporting to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).
- There has been a substantial decrease in the number of verbal abuse and threatening behaviour incidents that have been reported this year following last year's large increase.
- Corporate Health and Safety will add an article to Talking Point reminding staff to ensure that they report all accidents and significant near misses (where there could have been a potential for harm or property damage) and incidents of verbal abuse threats or physical assault. This will help clarify whether the data for 2017-18 is a true reflection of the accident/incident rate for WDC or an under-reporting issue.
- Health issues may be more of a concern during 2017-18 rather than safety, as stress is the highest reason for sickness absence.

### **Health and Safety Training during 2017/18**

**27** Health & safety training and support continues to be a high priority for WDC, and therefore we have ensured that a wide range of training opportunities have been provided during 2017/18.

| <b>Course Name</b>   | <b>No of Courses</b> | <b>Total No of Participants</b> |
|--|----------------------|---------------------------------|
| Asbestos: The Management of Asbestos in Buildings P405 (4days accredited course) | 1                    | 1                               |
| Defibrillator Training   | 1                    | 4                               |
| Evac Chair Training  | 4                    | 29 (includes 11 tenants)        |
| Fire Risk Assessor Training  | 2                    | 2                               |
| Fire Warden Training   | 5                    | 7                               |
| Emergency Assembly Point Coordinator Training                                    | 1                    | 8                               |
| Emergency Controller   | 1                    | 2                               |
| First Aid at Work  | 2                    | 2                               |
| First Aid at Work Requalification  | 3                    | 5                               |
| Health and Safety Induction  | 4                    | 24                              |
| Manual Handling  | 1                    | 1                               |
| NEBOSH General Certificate in Construction (4 days)                              | 1                    | 1                               |
| Personal and Safety at Work  | 3                    | 3                               |
| Personal Safety - Pin Point Training 7.1 and 7.2                                 | 11                   | 16                              |
| Personal Safety - Pin Point Training 7.4 Ken Morgan Room                         | 1                    | 1                               |
| Project Griffin (Security Awareness)   | 4                    | 103                             |
| QVR site security – Bomb Threats & Terrorist Incidents                           | 1                    | 19                              |
| Visual Tree Course   | 3                    | 4                               |
| Working at Height  | 1                    | 1                               |
| <b>Total Number of Attendees</b>   |                      | <b>227</b>                      |

## **Conclusion**

- 28** 2017/18 has been a relatively quiet year in terms of accidents and incidents, and all WDC services continue to manage health & safety well, and to review it regularly at their team meetings. The 2 independent health & safety audits during 2017/18 (on Community Services and on HR, ICT & Shared Support Services), have both produced positive results.
- 29** However, there continue to be some ongoing risks that need to be managed – in particular, at particular WDC premises (notably Saunderton Lodge and Booker depot), and with particular work related issues (eg property management, and stress at work). These will continue to be monitored as part of the 2018/19 work programme, and by the relevant service areas.
- 30** The health and safety function has continued to build on the previous year's considerable work to introduce arrangements for complying with health and safety legislation and good practice. Although the Council's risk profile remains low, extensive work has been undertaken to improve the basic framework for managing health and safety.
- 31** The decision by Bucks CC to cease our partnership, after 4 years of successful joint working, did come as a surprise. However, the experience has demonstrated the benefits of a joint working approach, and therefore we have been able to quickly specify and confirm a new partnership with another neighbouring authority (Aylesbury Vale DC). As this is a new relationship we propose to pilot it for 1 year in the first instance, but we will review this in autumn 2018 with a view to extending it further if it is working well.
- 32** We have an extensive set of health & safety policies and procedures in place, a strong commitment to training and good progress has been made to deliver the 2017/18 work programmes. This means that we have a strong and resilient base in place, and are well placed to move forward into 2018/19.

## **Background Papers**

- 33** None.



## HEALTH &amp; SAFETY

## CORPORATE WORK PROGRAMME 2017-18 – end of year progress (as of 31 March 2018)

Costs – there are no additional costs attached to actions other than staff costs unless stated - funding will be from existing budgets.

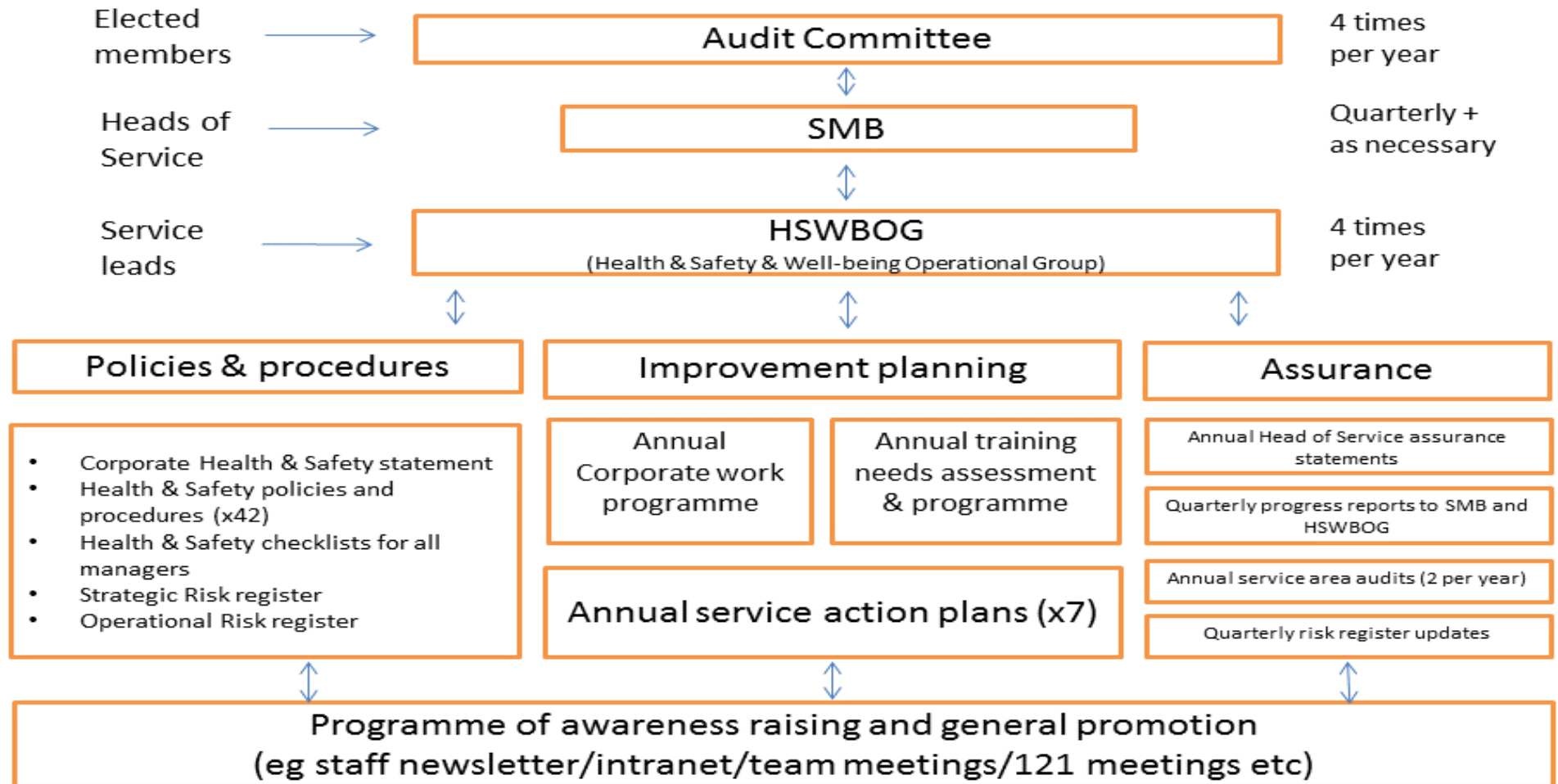
| Activity area                                     | Improvement action   | Timescale           | Owner    | Current Status | RAG | Progress update   |
|---|--|---------------------|----------|----------------|-----|---|
| Page 23<br>A - Training Programme                 | A1 - Develop 2018 corporate programme training                       | By end Dec 2017     | H&S team | COMPLETE       |     | New training programme for 2018 circulated at HSWBOG meeting in November 2017   |
|   | A2 - Induction training (as required)                                | As required         | H&S team | COMPLETE       |     | Health and Safety Induction Course provided 13 June, 27 September, 28 November 2017 and 27 February 2018  |
|   | A3 – Explore potential for e-learning induction module for employees | By end January 2018 | H&S team | COMPLETE       |     | E-learning courses have been made available by HR for Health and Safety to assess. E-learning health and safety course is suitable for prior learning before attending face to face Health and Safety Induction course.   |
| B - WDC Health and Safety Policies and Procedures | B1 – Ongoing review and updating of WDC H&S policies                 | Ongoing             | H&S team | COMPLETE       |     | <p>A number of policies have been updated this year.</p> <ul style="list-style-type: none"> <li>• WDC's Health &amp; Safety Policy</li> <li>• Health and Safety consultation arrangements</li> <li>• Checklist for Managers Working in Low Risk Environments</li> <li>• NEW Checklist for Heads of Service and Property Managers</li> <li>• Fire safety in all Council premises</li> <li>• Use of LPG cylinders &amp; appliances</li> <li>• Display Screen assessment (DSE)</li> <li>• Management Guidance for the use of the Ken Morgan Room</li> <li>• Smoking at work</li> </ul> |

| Activity area | Improvement action   | Timescale         | Owner          | Current Status  | RAG | Progress update   |
|---------------|--|-------------------|----------------|---|-----|---|
|               |  |                   |                |   |     | <ul style="list-style-type: none"> <li>• Blood borne diseases</li> <li>• Work related infectious diseases</li> <li>• Illness and infections</li> <li>• Working outside in the summer</li> <li>• Control of contractors</li> <li>• Christmas safety tips</li> <li>• Driving at work</li> <li>• Hand arm vibration</li> </ul>   |
|               | B2 – Develop new WDC policy for bomb threats and terrorist incidents                         | By end July 2017  | H&S team       | NEARLY COMPLETE BUT WILL BE RE-INCLUDED IN THE 2018/19 WORK PROGRAMME |     | <p>Bomb threat and terrorist incident policy has been published on Wycopedia. New emergency rucksacks have been located at suitable points including the tenants premises</p> <p>Fire Wardens have been trained in their use to instruct staff what to do in the case of a terrorist incident or another emergency</p>  |
|               | B3 – Develop new WDC guidance for use of drones (to be linked to emerging national guidance) | By end March 2018 | H&S team       | SUSPENDED AWAITING GOVERNMENT ADVICE                                  |     | Development of guidance on the use of drones has been rolled over to 2018-19, as still waiting for national guidance following Government announcement in July 2017 that drones will have to be registered and users will have to sit safety awareness tests. Guidance for private and commercial use is available on CAA website   |
|               | B4 – Ensure stress risk assessments are being carried out by all WDC service areas           | Ongoing           | H&S & HR teams | COMPLETE BUT WILL BE RE-INCLUDED IN THE 2018/19 WORK PROGRAMME        |     | Some managers attending training in Supporting Mental Wellbeing were unaware of the Stress Management Policy and the Stress risk assessments. Need to advertise policy more widely and check on progress with team stress risk assessments. Will include again on 2018-19 Health and Safety Action Plan to ensure risk assessments are being undertaken and discussed at team meetings. |

| Activity area  | Improvement action  | Timescale                                   | Owner          | Current RAG Status | Progress update  |
|--|---|---|----------------|--------------------|--|
|  | B5 – Promote use of job based risk assessments across all WDC service areas | Ongoing                                     | H&S team       | COMPLETE           | Roll out information on job based risk assessments   |
| <b>C - Auditing, monitoring and inspection of services</b> | C1 – Complete 2 service audits (Community Services, and HR/ICT/SSS)         | By January 2018                             | BCC audit team | COMPLETE           | Community and HR/ICT/SSS were audited in February 2018. Community was graded as Excellent and HR/ICT/SSS graded as Good  |
|  | C2 – Refresh 7 service action plans, and ensure they are being delivered    | By end May 2017 (plus quarterly monitoring) | H&S team       | COMPLETE           | All services have plans in place – progress has been monitored at HSWBOG meeting 18 July, 21 November 2017 and 16 January 2018. Greater scrutiny is required for 2018-19, as staff and some managers are unaware of requirement for job based risk assessments and stress risk assessment.   |
| <b>D - Communications activity</b>                         | D1 – Monthly H&S communication  | Ongoing                                     | H&S team       | COMPLETE           | Articles have appeared in Talking Point as required e.g. DSE Assessments, the use of Vari-desks fire security and emergency information.   |
|  | D2 – Review & improve H&S presence on new Council Intranet (Wycopedia)      | By end December 2017                        | H&S team       | COMPLETE           | All policies and procedures now listed on Wycopedia  |
| <b>E – H&amp;S governance</b>                              | E1 – Complete full review of Bucks/WDC SLA                                  | By end October 2017                         | PS/PB/BCC      | COMPLETE           | BCC have informed WDC that they will not renew Service Level Agreement for health and safety services. Other options for providing health and safety service from April 2018 are being considered.<br><br>After considering proposals from other district councils and a Health and Safety Consultant, a decision has been made to take up a Service Level Agreement with Aylesbury Vale District Council. An emergency e-mail |

| Activity area                  | Improvement action  | Timescale           | Owner                    | Current Status                                | RAG | Progress update  |
|--------------------------------|---|---------------------|--------------------------|---|-----|--|
|                                |   |                     |                          |   |     | will be available and access to a telephone helpdesk will be made available to staff in April 2018.  |
|                                | E2 – Review new internal governance structures (following changes made in January 2017) | By end January 2018 | PS/PB                    | COMPLETE                                      |     | New arrangements are working well. These have been reviewed and are proposed to be extended.   |
| <b>F – Property management</b> | F1 – Review role of property managers with regard to their H&S responsibilities         | By end March 2018   | H&S & FM teams           | WILL BE COMPLETED IN APRIL 2018               |     | New manager's guidance has been prepared. Presentation produced for workshop for Property Managers. Workshop has been delayed as the 2 <sup>nd</sup> quarter's HSWBOG meeting was postponed to November where that checklist was discussed.<br><br>Workshop arranged for 10 April 2018. Facilities Management's 31 database will be available to Property Managers |
| <b>G – Online reporting</b>    | G1 – Implement online accident reporting tool (AssessNet)                               | By end October 2017 | H&S team & Service leads | WILL BE REVIEWED AS PART OF NEW SLA WITH AVDC |     | Following BCC's decision (November 2017) not to renew SLA the online accident reporting system will not be implemented. E-forms cannot be supported by IT. AVDC have offered a new accident/incident platform when their new HR system is implemented in August 2018.  |
|                                | G2 - Develop online DSE self-assessment process (Healthy Working provided by Cardinus)  | By end March 2018   | H&S team                 | WILL BE REVIEWED AS PART OF NEW SLA WITH AVDC |     | See comments above (G1)  |

### Wycombe District Council – Health & Safety Management System



## HEALTH &amp; SAFETY

## DRAFT - CORPORATE WORK PROGRAMME 2018-19

Costs – there are no additional costs attached to actions other than staff costs unless stated - funding will be from existing budgets.

| Activity area  | Improvement action  | Progress  | Timescale                        | Owner                        | Current RAG Status |
|--|---|---|----------------------------------|------------------------------|--------------------|
| <b>A - Training Programme</b>                              | A1 - Develop 2018 corporate training programme  |   | By end of April 2018             | Corporate H&S team           |                    |
|  | A2 - Induction training (as required)   | Will be arranged as required – probably 3 or 4 sessions per year        | As required                      | Corporate H&S team           |                    |
| <b>B - WDC Health and Safety Policies and Procedures</b>   | B1 – Ongoing review and updating of WDC H&S policies  | Programme is ongoing  | Ongoing                          | Corporate H&S team           |                    |
|  | B2 – Complete new policy for bomb threats and terrorist incidents, and ensure full training and testing |   | By end October 2018              | Corporate H&S team           |                    |
|  | B3 – Ensure stress risk assessments are being carried out by all WDC service areas                      |   | Ongoing                          | Corporate H&S team & HR team |                    |
| <b>C - Auditing, monitoring and inspection of services</b> | C1 – Complete 2 service audits (to be agreed)   | AVDC now contracted to carry out these audits – probably in Autumn 2018 | By end March 2019                | Corporate H&S team           |                    |
|  | C2 – Refresh 7 service action plans, and ensure they are being delivered                                | 5 plans already completed – 2 others in hand                            | By end May 2018 (plus quarterly) | H&S service leads & team     |                    |

| Activity area                                    | Improvement action   | Progress   | Timescale            | Owner                            | Current RAG Status |
|--|--|--|----------------------|----------------------------------|--------------------|
|  |  |  | monitoring)          |                                  |                    |
| <b>D – Communications and reporting activity</b> | D1 – Monthly H&S communication   |  | Ongoing              | Corporate H&S team               |                    |
|  | D2 – Review & improve H&S presence on new Council Intranet (Wycopedia)             | Some minor initial work completed  | By end December 2018 | Corporate H&S team<br>Comms team |                    |
|  | D3 – Develop eforms for various H&S processes (eg accidents/DSE/violent incidents) | Will be reviewed as part of new SLA with AVDC                                  | By end March 2019    | Corporate H&S team<br>Comms team |                    |
| <b>E – H&amp;S governance</b>                    | E1 – Ensure arrangements in place to replace Bucks/WDC SLA                         | Broad SLA agreement completed with AVDC – final details to be sorted           | By end April 2018    | PS/PB                            |                    |
|  | E2 – Review internal H&S arrangements at WDC                                       | Initial review already underway – further review planned for early Autumn 2018 | By October 2018      | PS/PB                            |                    |

# Audit Progress Report

Wycombe District Council

8 May 2018

Ernst & Young LLP



Building a better  
working world



Wycombe District Council  
Queen Victoria Road  
High Wycombe  
Buckinghamshire  
HP11 1BB

8 May 2018

Dear Audit Committee Members

## **Audit Progress Report 2017/18**

We are pleased to attach our Audit Progress Report.

The report sets out the work we have completed since our last report to the Audit Committee. Its purpose is to provide the Committee with an overview of the stage we have reached in your 2017/18 audit and to ensure our audit is aligned with Committee expectations.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

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

Yours faithfully

Maria Grindley  
Associate Partner  
For and behalf of Ernst & Young LLP  
Enc

## Contents

|  |          |
|--|----------|
| <b>1. Planned work</b> .....           | <b>2</b> |
| <b>2. Timetable</b> .....              | <b>4</b> |
| <b>Appendix A Audit Progress</b> ..... | <b>5</b> |

In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies’. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psaa.co.uk](http://www.psaa.co.uk))

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

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

This progress update is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

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

## 1. Planned work

### Fee Letter and Audit Plan

We issued our 2017/18 fee letter to the Council in April 2017 and our audit plan went to the Audit Committee on 25th January 2018.

### Financial Statements

We adopt a risk-based approach to the audit and, as part of our ongoing continuous planning, we continue to meet key officers regularly to ensure the 2017/18 audit runs as smoothly as possible and to identify any risks at the earliest opportunity. This includes meetings with Council staff to discuss issues arising from the 2016/17 audit and to examine ways to enhance the audit process for the 2017/18 financial statements.

#### Interim visit

##### Systems

We completed our interim work in February 2018 to identify the Council's material income and expenditure systems and to walk through these systems to ensure we understand how they operate. Our Accounts Receivable walkthrough highlighted the following issue:

- Separation of duties- the same person can both raise invoices and take payment, so there was no separation of duties between April and December 2017.
- Reconciliation between the Accounts Receivable sub-ledger and the general ledger was not complete: e.g. some differences were not explained for the period April 2017 to December 2017. We also noted that no reconciliations were performed for April or June 2017.

These findings are consistent with work done by the internal audit team: we liaised with them as they were drawing up their work plan.

##### Update from the finance team

We have obtained an explanation for the reconciliation position as at February 2018. There were a few differences in the reconciliation, as acknowledged by the Finance team: these were investigated by the team and working papers shared with us. Only small amounts are now outstanding. We will carry out detailed testing on reconciliations as part of our year-end accounts testing.

We are able to rely on a controls approach for the Accounts Payable system. This will reduce sample sizes at year-end.

##### Early Substantive Testing

We scheduled our visit to carry out early testing for two weeks in late January and early February, and shared our working paper requirements for this visit with the Council in early January 2018.

Our main areas of focus were:

- the first seven months' income and expenditure testing;
- significant contracts review;

- accounting policies; and
- exit packages.

All testing was completed with no issues arising.

## **Value for money**

We are required to consider whether the Council has 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- take informed decisions;
- deploy resources in a sustainable manner; and
- work with partners and other third parties.

Our work on the value for money conclusion is ongoing. We have identified no significant risks at planning stage and we do not anticipate having to carry out more detailed work, although we will report to the Committee if this changes.

## **Other Issues of Interest**

We will continue to send our sector briefings to members and discuss key issues with the Committee.

If members of the Audit Committee have any particular issues they would like to discuss with us we would be pleased to do so.

## 2. Timetable


### Audit Committee Timeline

We have set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we have agreed to provide to you through the 2017/18 Audit Committee cycle.

We will report to the Audit Committee throughout the audit as outlined below. This report summarises the progress made to date. From time to time matters may arise that require immediate communication with the Audit Committee: if this is the case we will discuss them with the Audit Committee Chairman as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter in order to communicate the key issues arising from our work to the Council and its external stakeholders, including members of the public,

| Audit phase                              | Timetable                            | Deliverables   |
|--|--------------------------------------|--|
| High level planning:                     | <b>December 2017</b>                 | Fee Letter taken to the April 2017 Audit Committee   |
| Risk assessment and setting of scopes    | <b>December 2017</b>                 | Audit Plan   |
| Testing routine processes and controls   | <b>End of Jan and Early Feb 2018</b> | Progress report  |
| Update on interim work completed to date | <b>May 2018</b>                      | Progress report  |
| Value for money conclusion               | <b>December 2017 to July 2018</b>    | Ongoing  |
| Year-end audit                           | <b>June 2018</b>                     | Report to those charged with governance<br><br>Audit reports (including our opinion on the financial statements and a conclusion as to whether the Council has proper arrangements for securing economy, efficiency and effectiveness in its use of resources).<br><br>Audit completion certificates |
| Reporting                                | <b>July 2018</b>                     | Annual Audit Letter  |



## Appendix A Audit Progress

### Progress against key deliverables

| Key deliverable                                     | Timetable in plan | Status      | Comments  |
|---|-------------------|-------------|---|
| Fee Letter  |                   | Completed   | Reported to Those Charged With Governance in April 2017         |
| Audit Plan  | Jan 2018          | Completed   | Reported to Those Charged With Governance on 25 January 2018    |
| Progress Report                                     | May 2018          | Completed   | To be presented to Those Charged With Governance on 31 May 2018 |
| Audit Report (including opinion and vfm conclusion) | July 2018         | Not due yet |   |
| Audit Certificate                                   | July 2018         | Not due yet |   |
| WGA Certificate                                     | July 2018         | Not due yet |   |
| Annual Audit Letter                                 | July 2018         | Not due yet |   |

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# Agenda Item 7

## **ANNUAL AUDIT AND CERTIFICATION FEES 2018/19**

Officer contact: Dave Skinner  
david.skinner@wycombe.gov.uk

DDI. 01494 421322 Email

Wards affected: ALL

### ***PROPOSED DECISION***

To receive and comment on the Annual Audit and Certification Fees 2018/19 from Ernst and Young LLP.

### ***Reason for Decision***

The purpose of this Annual Audit and Certification Fee 2018/19 letter provides information on the audit and certification work proposed to be undertaken for the 2018/19 financial year at Wycombe District Council.

### **Corporate Implications**

1. There are no direct financial implications arising from this report.

### **Executive Summary**

2. To note the content of the Annual Audit and Certification Fees 2018/19 letter.

### **Sustainable Community Strategy/Council Priorities - Implications**

3. None

### **Background and Issues**

4. The Annual Audit and Certification Fees 2018/19 Letter is provided on an annual basis.

### **Options**

5. None

### **Conclusions**

6. The Annual Audit and Certification Fee 2018/19 letter sets out the audit and certification work for 2018/19.



Karen Satterford  
Chief Executive  
Wycombe District Council  
Queen Victoria Road  
High Wycombe  
Buckinghamshire  
HP11 1BB

17 April 2018

Ref:  
Your ref: 18-19 WDCfee  
  
Direct line: 07769 932604  
  
Email: MGrindley@uk.ey.com

Dear Karen

## Annual Audit 2018/19

We are writing to confirm the audit that we propose to undertake for the 2018/19 financial year at Wycombe District Council.

From 2018/19, new arrangements for local auditor appointment - as set out in the Local Audit and Accountability Act 2014 - apply for principal local government and police bodies. These bodies are responsible for making their own arrangements for the audit of the accounts and certification of the housing benefit subsidy claim. Public Sector Audit Appointments Ltd (PSAA) has appointed auditors for bodies that have opted into the national scheme. Appointments have been made for an appointing period of five years, covering the audit of the accounts for 2018/19 to 2022/23. Appointments for all bodies that had opted into the appointing person scheme before 9 March 2017 were confirmed, following consultation, in December 2017.

### Indicative audit fee

For the 2018/19 financial year, PSAA has set the scale fee for each audited body that opted into its national auditor appointment scheme. Following consultation on its Work Programme and Scale of Fees, PSAA has reduced the 2018/19 scale audit fee for all opted-in bodies by 23 per cent from the fees applicable for 2017/18.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers:

- the audit of the financial statements
- the value for money conclusion
- the Whole of Government Accounts.

For Wycombe District Council our indicative fee is set at the scale fee level. This fee is based on certain assumptions, including:

- the overall level of risk in relation to the audit of the financial statements is not significantly different from the previous year
- officers meet the agreed timetable of deliverables;
- internal controls for the key processes identified in our audit strategy operate effectively;
- we can rely on the work of internal audit as planned;
- our accounts opinion and value for money conclusion are unqualified;
- the council provides appropriate quality documentation;
- there is an effective control environment; and
- we get prompt responses to our draft reports.

Meeting these assumptions will help to ensure the delivery of our audit at the indicative audit fee which is set out below.

As we have not yet completed our audit for 2017/18, our audit planning process for 2018/19 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

### Summary of fees

|  | Indicative fee<br>2018/19<br>£ | Planned fee<br>2017/18<br>£ | Actual fee<br>2016/17<br>£ |
|--|--------------------------------|-----------------------------|----------------------------|
| Total Code audit fee                           | 47,691                         | 61,936                      | 61,936                     |
| Certification of housing benefit subsidy claim | N/A*                           | 16,833                      | 29,145                     |

*\*NB the housing benefit work is not included in the PSAA national scheme, so the Council will appoint separately.*

Any additional work that we may agree to undertake (outside the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

### Billing

The indicative audit fee will be billed in 4 quarterly instalments of £11,922.75.

### **Audit plan**

We expect to issue our plan in January 2019. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Head of Finance and Commercial and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit Committee.

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, at 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Maria Grindley  
Associate Partner  
For and on behalf of Ernst & Young LLP

cc. David Skinner, Head of Finance and Commercial  
Mike Appleyard, Chairman of the Audit Committee

# Agenda Item 8

## **Annual Review of the Audit Committee's Terms of Reference**

**Officer contact: Michael Howard**

**DDI: 01494 421357**

**mike.howard@wycombe.gov.uk**

Wards affected: All

### ***PROPOSED DECISION***

That the Terms of Reference as attached at Appendix A are approved.

#### **Corporate Implications**

Audit Committee Terms of Reference for part of the Council's Constitution.

### **Executive Summary**

The attached terms of reference details the subject areas that are reserved to both Council and the Audit Committee.

In line with recommended best practice an annual review has been undertaken by the Business Assurance Manager and a range of amendments are detailed below:

Section 2 - Frequency of Meetings – has been revised to include the post of the Chief Executive along with the Corporate Director.

Section 4 - Duties of External Audit – has been revised to reflect the planned roles of External Audit in 1) review of the Councils Financial Statements and 2) as the Independent Reporting Accountant for the Housing Benefit Subsidy Audit.

Section 6 - Corporate Governance - reflects the latest CIPFA standard as regards establishing its corporate governance framework.

Treasury Management – reflects the revision to transfer the responsibility for the approval of the Councils Treasury Management Strategy to Council under their reserved duty with the Audit Committee retaining the responsibility for the effective scrutiny of the Councils treasury management strategy and polices as a reserved duty of the Audit Committee.

### **Background Papers**

Constitution

**5. Audit Committee**

| Subject                                  | Reserved to Council  | Reserved to Committee   |
|--|--|---|
| 1. Membership and attendance at meetings | <p>(a) Appointment of Members in accordance with Standing Orders.</p> <p>(b) Appointment for a period not exceeding 2 years of one external co-optee, ideally Finance Director from another large public organisation such as Bucks College or Bucks NHS Trust. This co-optee will not have voting rights.</p> |   |
| 2. Frequency of meetings                 |  | <p>Meetings shall be held not less than four times a year or more frequently as circumstances require. The External Auditors, the Head of Finance &amp; Commercial and the Business Assurance Manager may request a meeting with the Committee or its Chairman if they consider that one is necessary, at least once a year, without the presence of the Chief Executive or the Corporate Director, the Committee shall meet respectively with the external auditors and with the Head of Finance and Commercial.</p> |
| 3. Authority                             |  | <ol style="list-style-type: none"> <li>1. Investigation of any activity within its terms of reference;</li> <li>2. Seeking any information that it requires from any employee; and</li> <li>3. Obtaining outside legal or other independent professional advice.</li> </ol>   |

Page 43

Agenda Item 8

| Subject  | Reserved to Council | Reserved to Committee  |
|--|---------------------|--|
| <p>4. Duties External Audit</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 44</p> |                     | <p><b>ANNUAL REVIEW OF THE COUNCIL’S FINANCIAL STATEMENTS</b></p> <ol style="list-style-type: none"> <li>1. Discussing with the external auditors the nature and scope of the audit.</li> <li>2. Reviewing and considering the results of the external audit, its cost effectiveness and the audit fee.</li> <li>3. Considering communications from the external auditors on audit planning and findings and on material weaknesses in accounting and internal control systems that came to the auditors' attention.</li> <li>4. Reviewing and discussing with management and auditors the annual financial statements before submission to the Cabinet and Full Council focusing particularly on: i) the quality and acceptability of accounting policies and practices and financial reporting disclosures; ii) areas involving significant judgement estimation or uncertainty; iii) compliance with financial reporting standards and relevant governance reporting requirements; iv) material misstatements detected by the auditors that individually or in aggregate have not been corrected and management’s explanations as to why they have not adjusted; v) the basis for the going- concern assumption.</li> <li>5. Discussing any difficulties, reservations or matters arising from the external auditors' audits (in the absence of officers where necessary).</li> <li>6. Reviewing the external auditor's management letter and officers' response's.</li> </ol> <p><b><u>INDEPENDENT REPORTING ACCOUNTANT FOR THE REVIEW OF THE HOUSING BENEFIT SUBSIDY AUDIT</u></b></p> <ol style="list-style-type: none"> <li>7. Reviewing and considering the results of the external audit of the Housing Benefit Subsidy (in line with the Department for Works and Pensions guidance ) and its cost effectiveness and the audit fee.</li> </ol> |

| Subject                      | Reserved to Council | Reserved to Committee  |
|------------------------------|---------------------|--|
| 5. Values of Good Governance |                     | Knowledge of the Seven Principles of Public Life.<br>Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff.<br>Knowledge of the whistleblowing arrangements in the authority. |
| 6. Corporate Governance      |                     | <u><b>Reviewing the Council's framework for Corporate Governance and its compliance with Delivering Good Governance in Local Government Framework 2016.</b></u>  |

Page 45<sup>1</sup> Good governance means: A) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law. B) Ensuring openness and comprehensive stakeholder engagement. C) Defining outcomes in terms of sustainable economic, social and environmental benefits. D) Determining the interventions necessary to optimise the achievement of the intended outcomes. E) Developing the entity's capacity, including the capability of leadership and the individuals within it. F) Managing risks and performance through robust internal control and strong public financial management. G) Implementing good practices in transparency, reporting and audit to deliver effective accountability

| Subject | Reserved to Council | Reserved to Committee |
|---------|---------------------|-----------------------|
|---------|---------------------|-----------------------|

| Subject        | Reserved to Council | Reserved to Committee   |
|----------------|---------------------|---|
| Internal Audit |                     | <ol style="list-style-type: none"> <li>1. Considering any necessary disclosure implications of the process that has been applied by the Cabinet to deal with material internal control or risk management aspects of any significant problems disclosed in the annual reports and accounts.</li> <li>2. Reviewing and discussing with the Head of Finance and Commercial the scope of work of the internal audit and risk management function, its plans, the issues identified as a result of its work and how management is addressing these issues.</li> <li>3. Ensuring that the function is adequately resourced and has appropriate authority and standing within the authority.</li> <li>4. Reviewing Co-ordination between the internal and external auditors and Risk Management Service.</li> <li>5. Periodically review compliance with Public Sector Internal Audit standards which outlines the remit for an effective Internal Audit service.</li> <li>6. Considering the major findings of any relevant risk assessments, internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management where necessary).</li> <li>7. Considering the objectives of non-financial audits or consultancy work on internal controls or risk management provided by external review agencies. Also to review the remuneration for this work and ensure there are no conflicts of interest within the organisation or with the external auditors.</li> <li>8. Considering the objectives and scope of any additional work undertaken by the internal auditors to ensure there are no conflicts of interest and the independence not comprised.</li> </ol> |



| Subject                        | Reserved to Council   | Reserved to Committee  |
|--------------------------------|---|--|
|                                |   | <p>9. Considering the disclosure about the role of the Audit Committee included in the annual report.</p> <p>10. Considering other topics such as the Council's policies for preventing or detecting fraud, its Code of Conduct/ ethics and the policies that the Council complies with relevant regulatory and legal requirements and in particular overseeing the work of the corporate fraud service and considering policy changes thereto.</p> <p>11. Consider the annual internal audit opinion and report which provides an overall opinion on the adequacy and effectiveness of the Council's framework and governance, risk management and control.</p> |
| Risk Management<br><br>Page 47 |   | <p>1. Understanding of the principles of risk management, including linkage to good governance and decision making.</p> <p>2. Knowledge of the risk management policy and strategy of the organisation.</p> <p>3. Understanding of risk governance arrangements, including the role of Members and of the Audit Committee.</p>   |
| Counter Fraud                  |   | <p>1. An understanding of the main areas of fraud risk the organisation is exposed to.</p> <p>2. Knowledge of the principles of good fraud risk management practice (with reference to CIPFA's Managing the Risk of Fraud and Corruption).</p> <p>3. Knowledge of the organisation's arrangements for tackling fraud.</p>  |
| Health and Safety              | Approval of changes on recommendation of Regulatory and Appeals Committee | Maintaining an overview of the Council's framework for Health and Safety in its capacity as employer or regulator for consideration by Cabinet or Regulatory and Appeals Committee as appropriate.   |
| Terms of Reference             | Approval of changes   | Reviewing and updating its own terms of reference and at appropriate intervals, evaluating its own performance against its terms of reference and best practice.   |

| <b>Subject</b>             | <b>Reserved to Council</b>                              | <b>Reserved to Committee</b>   |
|----------------------------|---|--|
| Statement of Accounts      |   | Approval of the Authority's Statement of Accounts, income and expenditure and balance sheet or record of receipts and payments (as the case may be). |
| Treasury Management        | Approval of the Council's Treasury Management Strategy. | Ensuring effective scrutiny of the Council's treasury management strategy and policies.  |
| Key Performance Indicators |   | Analysing of Key Performance Indicators and Identification of Actions Required.  |

# Agenda Item 9

## **PROPOSED INTERNAL AUDIT PROGRAMME 2018/19**

Officer contact: Michael Howard

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Email: mike.howard@wycombe.gov.uk

Wards affected: All

### ***PROPOSED DECISION***

That:

- (i) The Internal Audit programme for 2018/19 as attached Appendix A is agreed; and that
- (ii) The audit programme be reviewed half yearly and reported as part of the Business Assurance Managers' half yearly report.

### **Corporate Implications**

The Council has a statutory responsibility under the Accounts and Audit (England) Regulations 2015, which states that a local authority must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control. The work of Internal Audit is an essential component of providing an assurance to Management and to those charged with governance, that sound systems internal control are present and are working effectively.

### **Executive Summary**

1. The annual internal audit programme is presented to the Audit Committee each year and is compiled after taking into consideration the following contributions:
  - a. Areas of interest from the Chief Executive, the Corporate Director, the Councils Section 151 Officer and the Heads of Service.
  - b. Areas of interest as determined by the Business Assurance Manager.
  - c. Areas of interest from members of the Audit Committee.
  - d. The Strategic Risk Register is used as this provides a useful reference point as regards risk and control.

The programme for 2018/9 makes provision to perform 8 Core financial reviews (65 days) and 13 Non-Core financial reviews (70 days) and further detail can be found in the attached appendix 1 Table - Parts A & B.

2. The Council's Internal Audit Service will continue to undertake the core financial audits necessary to provide Management with an assurance as regards the effectiveness of the internal control framework.
3. We will continue to use an external resource to provide internal audit services and deliver the audit programme for 2018/19. The Business Assurance Manager oversees the delivery of the audit programme and works closely with the external provider ensuring a timely and effective service is provided.
4. In addition to the role of overseeing the delivery of the Councils internal audit programme, the Business Assurance Manager has:
  - a. Direct management responsibility for the Corporate Investigations Team.
  - b. Involved in the quarterly reporting of the strategic risk register and the implementation of service based operational risk registers.
  - c. Involved in the Councils corporate governance arrangements through the compilation of the internal annual assurance statement process, the externally published Annual Governance Statement and the Councils' Local Code of Governance as well as oversight of the annual contract review framework.
5. The proposed 2018/19 audit programme has been compiled on the principle of business as usual and does not reflect the impact of the decision as regards Modernising Local Government (MLG). Therefore, any changes in Council service provision, following a decision on MLG will be reflected in a revised audit programme which will be presented for consideration by SMB and agreement by the Audit Committee.

### **PROPOSED INTERNAL AUDIT PROGRAMME 2018/19**

#### **BACKGROUND AND VISION**

This document sets out the approach for the delivery of Internal Audit for 2018/19.

As with previous years, the Service will continue to use an external resource to deliver individual audit assignments drawn from the annual programme. The overall management of the Service rests with the Business Assurance Manager.

Through the combined work of the external service and the work undertaken by the Business Assurance Manager, it is possible to provide an independent opinion to Management, the Strategic Management Board (SMB) and the Audit Committee as to the effectiveness of the internal control frameworks as determined in the annual programme.

The continual vision for Internal Audit is to provide a high quality cost effective service, which is capable of adapting and responding to the changing environment in which the Council operates. This will be demonstrated through compliance with its own service standards as contained in its Internal Audit Charter.

#### **LEGAL STANDING**

The Council has a statutory responsibility under the Accounts and Audit (England) Regulations 2015, which states that a local authority must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

It is also responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

From April 2013, Internal Audit has been governed by the Public Sector Internal Audit Standards (PSIAS) which further defined “internal audit assurance and consulting services” under the definition of Internal Auditing as:

“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”.

This report has been compiled on the basis as business as usual; however it is cognisant that there may be changes in the way in which the audit programme is structured following the decision on Modernising Local Government. However,

where amendments are required, this will be reported to both the Strategic Management Board and the Audit Committee.

## **AUDIT COVERAGE**

As in previous years the annual Internal Audit programme has been compiled on the basis of internal knowledge of service provision.

Requests from members of the Audit Committee, individual Heads of Service, Corporate Director, and the Chief Executive were sought, along with the review of key financial systems, with an element of the total budget set aside for corporate work.

We also intend to provide an assurance role and offer a range of services that provide a wider assurance remit. The audit programme has been compiled on the following basis:

### **Core financial Audits**

For 2018/19, we have allocated 65 days to undertake 8 core financial audits. Table A – Part A - Core Financial Audits provides a brief summary as to the reviews that are planned.

### **Non-core financial audits,**

For 2018/19, we have allocated 70 days to undertake 13 non-core financial audits Table A – Part B provides further details of the 13 reviews.

## **SUPPORTING CORPORATE INITIATIVES**

Detailed below is a summary of the work that the Service will directly provide or will work with other services to deliver in 2018/19.

### **Corporate Governance / Assurance frameworks**

The Council has adopted CIPFA's Good Governance in Local Government Framework 2016 and during 2018/19 work will be undertaken to ensure that the required assurances are in place and operating effectively as there is a direct link between the output from the Annual Assurance statement (AAS) framework which in turns contributes to the Annual Governance Statement (AGS) which is included in the annual accounts publication.

We are using a three line model of categorising assurance as follows:

**Level 1 - Management** - as this comes directly from those who have responsibility for managing and controlling the activity and are accountable for successful delivery.

They also set the tone from the top, develop and implement policies & procedures, establish controls and seek to demonstrate compliance.

**Level 2 - Corporate functions and third parties** - this comes from inspection and/or other assurance functions of the Council e.g. Audit /Scrutiny function, Risk Management, Performance Management, Health and Safety, Programme Management.

**Level 3 - Internal and External Audit** - as they provide independent assurance on the Councils service delivery arrangements, management of risk, design and operation of internal controls.

### **Counter Fraud and Corruption**

The risk of fraud and corruption both committed internally by staff or externally by third parties continues to be issue for the whole of the public sector.

Following the creation of the Corporate Investigations function we have developed an approach that involves reviewing our existing arrangements covering policy, procedures and training provision in light of CIPFA's best practice guidance - Managing the Risk of Fraud and Corruption.

For 2018/19 we have allocated 15 days to undertake and formalise the Council's corporate fraud and corruption arrangements. This will involve the:

- Submission of a report to the Audit Committee "Tackling Fraud and Corruption" for its consideration and approval. The report sets out the approach that the Council intends to follow when addressing the risk of fraud and corruption.
- Reviewing service based fraud risk registers and providing an assessment as to their adequacy in the prevention of fraud.

### **Contract Management**

For 2018/19 we have allocated 5 days to support the embedding of the Annual Contract Review Framework, the results of which are to be overseen by the Councils Strategic Management Board.

Table A - Internal Audit programme 2018/19

Set out in the table below is the Internal Audit programme for 2018/19

| SERVICE AREA  | Proposed frequency | Type of Review | (Days) |
|---|--------------------|----------------|--------|
| <b>Part A - CORE FINANCIAL AUDITS</b>   |                    |                |        |
| <b>Corporate Debt Management &amp; Income</b><br>To provide an assurance that income generating activities are identified and accurately invoiced; that all invoices are paid and the income is accounted for and reflected in the Councils account: the extent of debt is minimised and overdue accounts are promptly followed up. | Annual             | System         | 10     |
| <b>Creditors</b><br>To provide an assurance that creditor payments are valid, authorised, accurate and timely and are in respect of goods and services ordered and received by the Council.   | Annual             | System         | 6      |
| <b>Payroll</b> To provide an assurance that only bona fide, authorised and accurate payments are made in timely manner, also to ensure that all payroll transactions are accurately reflected in the accounting system (Efin).  | Annual             | System         | 5      |
| <b>Fixed Assets and Inventories</b><br>To provide an assurance as regards the ownership and control of the physical assets owned by the Council.  | Annual             | System         | 5      |
| <b>Treasury Management</b><br>To provide an assurance that the Treasury Management function operates in with Council policy.  | Every two years    | System         | 6      |
| <b>Main Accounting &amp; Budgetary Control</b><br>To provide assurances over the budget setting process and that budgetary control is accurate and reliable at all levels of the Council.   | Annual             | System         | 10     |
| <b>Council Tax &amp; NNDR</b><br>To provide an assurance that all income due to the Council in respect of CTax and NNDR liabilities are identified and accurately billed, that all demands are paid and the income is accounted for and reflected in the Councils accounts, the extent of debt is minimised and                     | Annual             | System         | 13     |



| <b>SERVICE AREA</b>  | <b>Proposed frequency</b> | <b>Type of Review</b> | <b>(Days)</b> |
|--|---------------------------|-----------------------|---------------|
| overdue accounts are promptly followed up.   |                           |                       |               |
| <b>Council Tax Support and Housing Benefits</b><br>To provide an assurance that all payments are made to bona fide claimants, in line with current legislation and that they are accurate and timely.  | Annual                    | System                | 10            |
| <b>Total</b>   |                           |                       | <b>65</b>     |
| <b>PART B - NON CORE FINANCIAL REVIEWS</b>   |                           |                       |               |
| <b>Insurance</b><br>To provide an assurance that the level of insurance cover is commensurate to the range of services that the Council provides.  | 3 year cycle              | System                | 6             |
| <b>Commercial Leases</b><br>To provide an assurance that the Council is correctly and accurately accounting for all of its income in relation to its Commercial property portfolio.  | Annual                    | System                | 6             |
| <b>Parking Services</b><br>To provide an assurance that all income due to the Council for parking related activity is accounted for in a timely and accurate manner.   | Annual                    | System                | 4             |
| <b>Renovation Grants /Disabled Facilities Grants</b><br>To provide an assurance that the process for awarding grants is in accordance with Council Policy and procedures.  | 3 year cycle              | System                | 5             |
| <b>Bed and Breakfast</b><br>To provide an assurance that the provision of bed and breakfast accommodation is managed effectively.  | De minimus                | System                | 4             |
| <b>Air Pollution</b><br>Compliance with the requirements of the Environmental Act 1995   | De minimus                | System                | 4             |
| <b>IT Infrastructure Assurance (carried over from 2016/17)</b><br>Two part review a) will examine the control framework in place to protect the Council against the loss of both personal financial information as well as commercial confidential information. b) Management of the IT network. | 2 year cycle              | System                | 6             |
| <b>Section 106 &amp; Community Infrastructure Levy (CIL)</b>   | 3 year cycle              | System                | 10            |

| SERVICE AREA  | Proposed frequency | Type of Review | (Days)    |
|---|--------------------|----------------|-----------|
| To provide an assurance that all income received is correctly accounted for and expenditure is allocated in line with Council Policy.<br>NB – this review is subject revision due to in Service changes in accounting arrangements planned for 2018/19.                                       |                    |                |           |
| <b>Community Grants</b><br>To provide an assurance that the processes for allocating grant funding and ensuring compliance with grant conditions is equitable and in compliance with Council policy.  | De minimus         | System         | 4         |
| <b>Cemetery</b><br>To undertake an establishment review of the Cemetery function.   | De minimus         | System         | 4         |
| <b>Land Charges</b><br>To provide an assurance that the Council is correctly and accurately accounting for all of its income in relation to its Land Charge function and is discharging its responsibilities as regards the timeliness and completeness in dealing with land charge searches. | De minimus         | System         | 6         |
| <b>Member and Officer Code of Conducts</b><br>To ensure that Council policy is adhered too.   | De minimus         | System         | 6         |
| <b>Contract review:</b><br><b>Grounds Maintenance contract</b>  | De minimus         | Contract       | 5         |
| <b>Total</b>  |                    |                | <b>70</b> |
| <b>SUPPORTING CORPORATE INITIATIVES:</b>  |                    |                |           |
| <b>Corporate Governance.</b><br>Developing the link between the output from the Annual Assurance statement (AAS) and key assurances that are required to ensure we can demonstrate the operational effectiveness of the internal control framework in place within each Service.              |                    |                | 15        |
| <b>Risk Management (Strategic and Operational risk registers)</b><br>To provide oversight and support for the Strategic Risk Register process and to input into the development of Operational Risk Registers.  |                    |                | 30        |
| <b>Counter Fraud and Corruption</b>   |                    |                |           |

| <b>SERVICE AREA</b>   | <b>Proposed frequency</b> | <b>Type of Review</b> | <b>(Days)</b> |
|---|---------------------------|-----------------------|---------------|
| Develop an approach that involves reviewing the Councils existing arrangements covering policy, procedures and training provision in light of CIPFA's best practice guidance - Managing the Risk of Fraud and Corruption. |                           |                       | 15            |
| <b>Contract Management</b><br>To support the embedding of the Annual Contract Review Framework which is overseen by the Councils Strategic Management Board.  |                           |                       | 10            |
| <b>Audit Committee/SMB</b><br>Providing the reporting function to the Audit Committee and the Strategic Management Board in terms of the work of Internal Audit, Risk and Corporate Investigations.                       |                           |                       | 15            |
| <b>Follow-Ups</b>   |                           |                       | 10            |
| <b>Contingency</b><br>To be used to cover any requests from Management as regards internal control advice, internal investigations and complaints.  |                           |                       | 15            |
| <b>Total</b>  |                           |                       | <b>110</b>    |
| <b>Grand Total</b>  |                           |                       | <b>245</b>    |

NB we have made the following budgetary provision £47,000 to provide Core (65 days), and Non-Core reviews (70 days)

# Agenda Item 10

## REVIEW OF THE ANTI – FRAUD AND CORRUPTION POLICY

Officer contact: Michael Howard

DDI 01494 421357

[Mike.Howard@wycombe.gov.uk](mailto:Mike.Howard@wycombe.gov.uk)

Wards affected: ALL

### **RECOMMENDATIONS**

1. That the 2018-20 Anti- Fraud Corruption Policy be NOTED and ENDORSED by the Audit Committee;

### **RECOMMENDED to COUNCIL:**

2. The adoption of the 2018-20 Anti-Fraud Corruption Policy;
3. To move the frequency of presentation of the Anti-Fraud and Corruption Policy to the Audit Committee to a two year period; and
4. To delegate authority to the Council's S151 Officer, in consultation with the Chair of the Audit Committee, to make amendments to the Policy in the meantime to reflect any changes in legislation or operational procedure.

### **Corporate Implications**

The delivery of an Anti-Fraud and Corruption Policy forms an integral consideration to the Councils approach to tackling fraud and corruption.

### **Summary**

The 2018/2020 Anti- Fraud and Corruption Policy sets of the Council's approach to anti-fraud and corruption and replaces the previous annual policy which was approved by this Committee in June 2017.

The Policy has been reviewed and we are not making any recommendations as regards the content of the Policy as its remains relevant to the Council and its approach to tackling fraud and corruption.

We have, however made some clerical amendments to the Policy and these are reflected as tracked changes.

The Policy will be circulated to staff via the Councils policy review software.

### **Background Papers**

Wycombe District Council's Anti- Fraud and Corruption Policy, approved by the Audit Committee 15<sup>th</sup> June 2017.

# ANTI FRAUD AND CORRUPTION POLICY 2018-2020



**Date created: April 2018**

**Version: 1.0**

**Author: Business Assurance Manager**

## 1. Introduction

1.1 Fraud and corruption poses a risk to all local councils and there is an increasing awareness of the impact of fraud and corruption on the finances and reputation of a Council.

1.2 Fraud is defined as:

“the intentional distortion of financial statements or other records, which is carried out to conceal or effect the theft of assets or money, or to mislead or misrepresent”

The Fraud Act 2006 sets out particular offences. Detailed below is a brief outline of the key sections of the legislation, it is not intended to be a comprehensive guide to the legislation but acts as a reminder of the general principles of law:

### **Section 2 - Fraud by false representation.**

A person is in breach of this section if he:

- dishonestly makes a false representation and
- intends by making the representation to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

### **Section 3 - Fraud by failing to disclose information**

A person is in breach of this section if he:

- dishonestly fails to disclose to another person information which he is under a legal duty to disclose: and
- intends, by failing to disclose the information, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

### **Section 4 - Fraud by abuse of position**

A person is in breach of this section if he:

- occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person.
- dishonestly abuses that position: and
- intends, by means of the abuse of that position to make a gain for himself or another: or
- to cause loss to another or to expose another to a risk of loss

## **Section 6 - Possession etc. or articles for use in frauds**

A person is guilty of an offence if he has in his possession or under his control any article for use in the course of or in connection with fraud.

## **Section 7 - Making or supplying articles for use in frauds**

A person is guilty of an offence if he makes, adapts, supplies or offers to supply any article-

- knowing that it is designed or adapted for use in the course of or in connection with fraud, or
- intending it to be used to commit, or assist in the commission of, fraud.

1.3 Corruption is defined as:

“the seeking or acceptance of a gift or reward (i.e. payment) which may influence the action of any person”

The Bribery Act 2010 outlines specific offences:-

**Making a bribe-** “offering, promising or giving a financial or other advantage with the intention of inducing or rewarding the improper performance of a relevant function or activity or as a reward for such improper action”.

**Accepting a bribe-** “requesting, agreeing to receive or accepting a financial or other advantage for the improper performance of a relevant function or activity or as a reward for such improper activity”.

1.4 This policy sets out the Council’s commitment to tackling fraud and corruption. The Council is committed to taking appropriate and decisive action against those committing, or attempting to commit, fraudulent or corrupt acts against the authority.

1.5 The Council's Anti-Fraud and Corruption Policy is based on a series of comprehensive and inter-related procedures and actions designed to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts affecting the Council. The following have been taken into account when drawing up the policy :

- Proportionate procedures
- Top level commitment
- Risk Assessment
- Due diligence
- Communication
- Monitoring and review

Any perceived gaps in policies and procedures have been identified and addressed. This will be monitored annually as part of the Annual Governance Statement (AGS) process. The Council is committed to

proportional implementation of these principles.

- 1.6 High standards of probity in public life and in the systems operated within Local Government are an essential expectation of the electorate, taxpayers and members of the public. These are vital in maintaining public confidence and are a fundamental cornerstone of effective governance.

The minimisation of losses through fraud and corruption are essential in ensuring that resources are used for their intended purpose that of providing services to the residents of the district.

- 1.7 The Council also expects that stakeholders, individuals and organisations such as residents, suppliers, contractors and service providers will act towards the Council with integrity and without thoughts or actions involving fraud and corruption.

- 1.8 The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:

- The Local Government Ombudsman.
- External Auditor.
- The public and service users – through the Council's complaints procedure.
- The Department of Work and Pensions (DWP).

- 1.9 The External Auditor has a statutory duty to check that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

- 1.10 Wycombe District Council's Anti-Fraud and Corruption Policy covers:

- Culture and stance against fraud & corruption (section 2);
- Corporate framework (Section 3);
- Procedures in place that help prevent fraud & corruption (section 4);
- Detection and investigation (section 5);
- Deterrence (section 6);
- Conclusion (section 7).

## **2. Culture and Stance against Fraud & Corruption**

- 2.1 Wycombe District Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption. The Council is committed to the highest possible standards of openness, probity and accountability and adopts a proportionate response to fraud and corruption that serves the public interest test and represents value for money.

- 2.2 The Council expects all members and officers to behave with propriety and to be accountable. Members and Officers, at all levels, will lead by example in ensuring adherence to legal requirements, standing orders, financial regulations, codes of conduct, procedure and practices.

- 2.3 The Council will provide clear routes by which concerns can be raised by both members and officers, and those outside who are providing, using or



paying for public services.

- 2.4 The Council has adopted a Disclosure (“Whistle Blowing”) Policy. This allows concerns to be raised by employees, in the certainty that they will be treated seriously and be properly investigated. Every effort will be made to ensure that anonymity and confidentiality are maintained. But, there is a need to ensure that any investigation process is not misused and therefore any abuse, such as raising malicious or vexatious allegations may be dealt with as a disciplinary matter.
- 2.5 Where sufficient evidence exists in any fraud or corruption case, officers will either refer the matter to the Police for investigation or following an investigation by the Corporate Fraud Team will refer the matter to the District Solicitor for prosecution.
- 2.6 Senior Management (Chief Executive, Corporate Director, and Heads of Service) are responsible for following up any allegation of fraud or corruption received and are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council, including Members, Director and senior management, will be robust in dealing with financial and non-financial malpractice.

### **3. Corporate Framework**

- 3.1 Documents and systems are already in place within Wycombe District Council that provides a well-defined prevention, detection and investigation process. Please see Appendix 1.

### **4. Detailed Procedures in place which help prevent fraud & corruption**

- 4.1 Our key anti-fraud arrangements include:

#### **Employees**

- 4.2 The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity.
- 4.3 In particular written references will be obtained regarding the honesty and integrity of potential employees before employment offers are made. Proper written evidence of all qualifications claimed will also be obtained. In this regard, temporary and contract employees should be treated in the same manner as permanent employees. Disclosure and Barring Scheme checks will be carried out on all relevant employees and subject to regular repeat.
- 4.4 Employees of the Council are expected to abide by the Council’s Standards of Conduct (as set out in Terms and Conditions of Service) and any other relevant policy which sets out the Council’s requirement on personal conduct. Employees are also expected to follow any Code of Conduct relating to any personal professional body of

which they are a member.

- 4.5 The Council has in place disciplinary procedures and rules for all categories of employees. Any breach of conduct will be dealt with under these procedures and could result in dismissal.
- 4.6 Officers are reminded that under the Officers Code of Conduct that they must operate in accordance with Section 117 of the Local Government Act 1972, regarding the disclosure of pecuniary interests in contracts relating to the Council or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration.
- 4.7 The Code of Conduct requires officers to maintain conduct of the highest standards such that public confidence in their integrity is sustained. The Code includes guidance on declaring any conflicts of interest, accepting gifts and hospitality. The definition of fraud does not relate solely to cases where the person committing the fraud receives a benefit from the act, but also cases where it is a third party who receives the benefit.

### **Members**

- 4.8 The Code of Conduct for Members, which forms part of the Constitution of Wycombe District Council, governs Members standards of behavior.

This Code is divided into three parts:

- General Interests (Scope and General Obligations),
- Interests (Personal Interests, Disclosure of Personal Interests),
- Prejudicial Interests,

- 4.9 These matters and other guidance are specifically brought to the attention of Members at the induction course for new Members and are in documentation supplied to each Member.
- 4.10 Members play an important role in respect of this Policy by leading by example and actively demonstrating their support

### **Internal Control Systems**

- 4.11 The Council has a Constitution which includes Standing Orders, Financial Regulations and various rules and codes of conduct in place that ensure officers act in accordance with best practice when dealing with Council business. These include the Planning Matters Guidance Note and additional protocol (approved by Members) dealing with the involvement of Members in the Planning process.

- 4.12 The Chief Financial Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs. In addition, under the Accounts and Audit Regulations 2006 as the "responsible financial officer", he is required to determine the accounting control systems which shall include:

"measures to enable the prevention and detection of inaccuracies and fraud",

"identification of the duties of officers dealing with financial transactions and the division of responsibilities of those officers in relation to significant transactions"

The latter requirement is a key control in the prevention of impropriety.

- 4.13 The Council's aim is to have sound financial systems and procedures that incorporate efficient and effective internal controls. As part of the strategy, the "separation of duties" is a fundamental control within the system, especially when involving significant transactions.
- 4.14 Under the Council's Financial Regulations, the Corporate Director is responsible for ensuring that adequate controls are in place. The existence, appropriateness, and effectiveness of these internal controls is independently monitored and reported upon by the Council's Internal Audit, Risk & Corporate Investigations and the External Auditor.
- 4.15 The Council develops and is committed to maintaining systems and procedures that incorporate efficient and effective internal controls including adequate separation of duties. These controls help prevent and detect irregularities occurring. The Corporate Director and Managers are required to ensure that controls are properly maintained and documented within their areas of responsibility.

### **Complaints Procedure**

- 4.16 The Council has an established procedure for dealing with and monitoring complaints from the public. Members of the public may refer complaints to the Local Government Ombudsman for investigation where they are not happy or satisfied with the Council's handling of the complaint. Where a complaint indicates possible fraud or corruption, it is referred to the Audit, Risk & Fraud Manager for investigation.

### **Partnerships with Others**

- 4.17 The Council has a variety of arrangements in place with other agencies to encourage and facilitate the exchange of information and investigation in relation to the detection and prevention of fraud and corruption. These include arrangements with the following:

- External Auditor
- Department for Work & Pensions (DWP)
  
- The Police
- National Anti-Fraud Network
- Social Housing Landlords

The Council expects all its partners to operate to the same high standards as itself with relation to Anti-Fraud and Corruption.

- 4.18 The Council operates the Housing Benefit Verification Framework in line with Central Government initiatives to reduce fraud and error.
- 4.19 The Council has an on-line fraud referral form and a dedicated e-mail address in order to allow members of the public to report individuals who they suspect are abusing Council services (see paragraph 5.3).

### **Standards Complaints**

- 4.20 Any complaint of alleged Member misconduct or fraud that constitutes a breach of the Council's Code of Conduct for Members should be made to the Council's Monitoring Officer for local assessment and determination.

### **Data Matching**

- 4.21 Data matching is the comparison of personal data held in different systems. One important use of data matching is the identification of potential fraud, but it can also be used to ensure that a client receives all their entitlements and is a useful tool in ensuring that data is held in a standardised format.
- 4.22 Examples of data matching on a large scale are the Cabinet Office National Fraud Initiative (NFI).
- 4.23 The stated purpose of the NFI is to assist auditors in their assessments of the arrangements that have been put in place by management to prevent and detect fraud and corruption and to enable management to detect fraud. It now includes the matching of data provided on a voluntary basis by a number of organisations, e.g. some Housing Associations.
- 4.24 At a local level, auditors can examine or compare records and data from different sources to test controls in financial systems and to carry out substantive tests on the validity of individual transactions and financial statements as a whole. This includes the use of computer assisted audit techniques (CAAT's) to compare or match data within individual computer files or between different data sets.
- 4.25 All auditors have a responsibility to plan their audits to have a reasonable expectation of detecting material mis-statements resulting from error, fraud or irregularity. However, the Statement of Auditing Standards (specifically SAS 110) issued by the Auditing Practices Board clearly establishes that the primary responsibility for the prevention and detection of fraud rests with the management of audited bodies, not the auditor.

### **Housing Benefit and Council Tax Reduction Scheme Fraud**

- 4.26 Fraud against Housing Benefit and the Council Tax Reduction (CTR) Scheme are the single most common occurrences of fraud within a local authority, with investigation and enforcement now split between the DWP for housing benefit related fraud and the Council's Corporate Investigation Team for (CTR) fraud.
- 4.27 There are dedicated officers at the DWP and the Council whose role it is to investigate alleged fraudulent housing benefit claims and CTR claims. The identification of fraud arises from several different areas which include:-
- referrals from benefit assessment officers
  - information from other sources – such as the public
  - data matching within the Council and with other organisations
  - pro-active investigations into specific areas.

NB – Any allegations of housing benefit fraud are referred directly to the DWP.

### **Risk Management**

- 4.28 Effective Risk Management is a key dimension of the Council's corporate governance arrangements and the Council, via its Risk Management Policy, has defined risk management as a systematic and iterative approach to assessing and addressing risk. Risk mitigation measures will be put in place in areas where the unacceptable exposure to risk has been highlighted.
- 4.29 Each service function should be assessed on a regular basis to identify areas of particular operational risk, including where appropriate an assessment of susceptibility to fraud or corruption. This will highlight any operational areas where the environment is more prone to abuse, and thereby identify areas worthy of specific fraud or corruption preventative initiatives for prioritisation purposes. Managers have a responsibility to act to manage identified risks.
- 4.30 The identification of the risks in these areas allows the implementation of control measures to reduce both the likelihood and impact of fraud and corruption.

### **Money Laundering**

Under the Proceeds of Crime Act 2002 and the Money Laundering Regulations the Council is required to report to the National Crime Agency (NCA) any circumstances about clients' business that tends to make them "know or suspect or have reasonable grounds for knowing or

suspecting that a crime has been committed [by a client]”. If the Council fails to do so, then the Council will commit a criminal offence and consequently senior officers will face the sanction of fines and/or imprisonment.

This will impact on the way the Council operates and any crimes, however small, shall be reported. All reports must be made in the strictest confidence and the Council cannot inform its customers or clients, either directly or indirectly, that a report has been made. Consequently, Council staff may not enter into any correspondence or discussions with clients regarding any issue that might arise in this context.

4.31 In responding to the possibility that a client may deliberately or inadvertently be involved in money laundering, the Council will be focusing on the following key areas:

- Assigning officers to manage the anti-money laundering processes within the Council;
- Ensuring key staff are familiar with the requirements of the regulations and the Council's procedures
- Ensuring key staff have an understanding or expectation of how clients behave so that they proactively identify unusual activities; and
- Satisfying itself as to the identity of clients where appropriate. To this end the Council has introduced rigorous procedures with respect to establishing identity where necessary and will keep a copy of the confirmatory evidence.

## **5 Detection and Investigation**

5.1 It is the responsibility of Senior Management to prevent and detect fraud and corruption.

5.2 In addition, Internal Audit and External Audit will liaise closely and implement a cyclical programme of audits which will test for fraud and corruption.

5.3 However, despite the best efforts of managers and auditors, many frauds are discovered by chance or by information received via a dedicated e-mail address – [fraud.investigations@wycombe.gov.uk](mailto:fraud.investigations@wycombe.gov.uk). It is often the alertness of employees and the public that enables detection to occur.

5.4 This document provides a clear path for raising concerns and dealing with information and the fraud-response arrangements, outlined herein, enable such information or allegations to be properly dealt with.

5.5 The Council's "Whistle Blowing" Policy also gives advice on how to raise a concern and the safeguards and support that are available to those that raise concerns.

5.6 Financial Regulations require officers to report all suspected irregularities to the relevant Corporate Director, the Chief Executive, Head of Service or the Audit, Risk & Fraud Manager.

- 5.7 Senior Management is responsible for following up any allegation of fraud or corruption that they receive; by immediately informing the Audit, Risk & Fraud Manager. The Corporate Fraud Investigation Team will undertake the following :-
- deal promptly with the matter;
  - record all evidence that has been received;
  - ensure that evidence is sound and adequately supported;
  - secure all of the evidence that has been collated;
  - where appropriate, liaise with other departments within the Council and take on the role of “lead” officer;
  - where appropriate, contact other agencies, e.g. Police;
  - when appropriate, arrange for the notification of the Council's insurers;
  - where appropriate, prepare a report to the Audit, Fraud and Risk Manager for a decision as to what further actions is to be taken in accordance with the appropriate policy.
- 5.8 Reporting suspected irregularities is essential to the Anti-Fraud and Corruption Policy and ensures: -
- consistent treatment of information regarding fraud and corruption;
  - proper investigation by an independent and experienced audit team;
  - the proper implementation of a fraud response investigation plan;
  - the optimum protection of the Council's interests.
- 5.9 Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with management, Personnel Legal Services, other Council departments and other agencies, such as the Police. This is to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.
- 5.10 The Council's disciplinary procedures will be used where the outcome of the Audit investigation indicates improper behavior; “balance of probability” is sufficient ground for dismissal, rather than proof beyond reasonable doubt.
- 5.11 Where financial impropriety involving officer or Members is discovered, the Council's presumption is that the Police will be called in. Referral to the Police is a matter for the Chief Executive; in practice, these duties are delegated to the Head of Finance and Commercial Services. Officers will be consulted, as appropriate during an investigation and the Chief Executive must be kept informed of referrals to the Police. Referral to the Police will not inhibit action under the disciplinary procedure.
- 5.12 The Council's External Auditor also has powers to independently investigate fraud and corruption. This may or may not be done in conjunction with the Internal Auditors.
- 5.13 To protect privacy and comply with the Human Rights Act, all criminal investigation agencies will need to demonstrate that any intrusion into an

individual's privacy is essential to an investigation. Where surveillance is considered appropriate it will be necessary for it to be approved by an Authorising Officer (Corporate Director or Head of Service) and then authorised by a Magistrate or Justice of the Peace before it can commence.

- 5.14 To ensure good practice, any surveillance carried out on the Council's behalf must be authorised to ensure necessity and proportionality, which are guiding principles under the Regulation of Investigatory Powers Act 2000 (as amended). Where officers are considering hiring a private company to undertake surveillance work they must seek agreement with the Audit, Fraud and Risk Manager prior to any appointment.

## **6. Deterrence**

- 6.1 There are a number of ways to deter individuals from committing or attempting fraudulent or corrupt acts, whether they are inside and/or outside of the Council, and these include:-

- Publicising the fact that the Council has a proportionate response to fraud and corruption and states this at every appropriate opportunity, for example, clause in contracts, statements on benefits claim forms, publications etc.
- Acting robustly and decisively when fraud and corruption are suspected and proven – for example, the termination of contracts, dismissal, prosecution etc.
- Taking action to affect the maximum recoveries for the Council – for example through agreement, Court action, penalties, insurance etc.
- Having sound internal control systems, that still allow for innovation, but at the same time do not provide the opportunity for fraud and corruption.

## **7 Conclusion**

- 7.1 The Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both prevention and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

- 7.2 To this end, the Council will maintain a continuous overview of these arrangements.

- 7.3 In response to the Bribery Act 2010, the Council has undertaken a review of its existing policies and procedures and has determined that a separate policy on the Bribery Act is not required as existing policies and procedures outlined in this Policy are considered sufficient and proportionate to the risks and activities undertaken by the Council



**Appendix 1**

**Wycombe District Council's Corporate Framework**

|   | <b>Prevention</b> | <b>Detection</b> | <b>Investigation</b> |
|---|-------------------|------------------|----------------------|
| <b>Codes of Conduct for Members and Officers</b>                        | •                 |                  |                      |
| <b>Disclosure "Whistle Blowing" Policy</b>                              | •                 | •                | •                    |
| <b>Complaints Procedure</b>   |                   | •                | •                    |
| <b>Standing Orders and Financial Regulations</b>                        | •                 |                  |                      |
| <b>Sound internal control systems, procedures and reliable records.</b> | •                 | •                | •                    |
| <b>Effective internal audit</b>   | •                 | •                | •                    |
| <b>Effective recruitment and employee vetting procedures</b>            | •                 |                  |                      |
| <b>The Council's disciplinary procedures</b>                            | •                 | •                | •                    |
| <b>Clear responsibilities, accountabilities and standards</b>           | •                 |                  |                      |
| <b>The Regulation of Investigatory Powers (RIPA) Procedures</b>         | •                 | •                | •                    |
| <b>Membership of the Anti -Fraud Network(NAFN)</b>                      | •                 | •                |                      |
| <b>National Fraud Initiative</b>  | •                 | •                | •                    |
| <b>Acceptable Usage Policy.</b>   | •                 |                  |                      |

# Agenda Item 13

## Wycombe District Council

### DRAFT AUDIT COMMITTEE WORKPLAN

#### Work Programme – May 2018 – January 2019

| Title & Subject Matter   | Contact Officer            | Training |
|--|----------------------------|----------|
| <b>26 July 18</b>  |                            |          |
| <p><b>External Auditor’s ISA 260 Audit Result Report</b></p> <p>To consider Ernst &amp; Young’s Audit Results Report and findings from the 2017/18 audit.</p>  | Chief Accountant           |          |
| <p><b>Approval of 2017/18 Statement of Accounts</b></p> <p>Report to approve to 2017/18 Statement of Accounts</p>  | Chief Accountant           |          |
| <p><b>Higginson Park Trust Annual Report and Accounts for 2017/18</b></p> <p>To consider the Higginson Park accounts for recommendation to Council.</p>  | Chief Accountant           |          |
| <p><b>Housing Benefits Subsidy Audit - Appointment of Independent Reporting Accountant</b></p> <p>To note the appointment of the Independent Reporting Accountant for the purpose of performing the housing benefits subsidy audit in line with the Department for Works and Pension guidance.</p> | Chief Accountant           |          |
| <p><b>2018/19 Q1 Service Performance Report (Information Sheet)</b></p> <p>Report providing information on specific performance indications from April to June 2018.</p>   | Policy Officer             |          |
| <b>25 October 18</b>   |                            |          |
| <p><b>Treasury Management Annual Report 2017/18 &amp; Prudential Indicators</b></p> <p>Report setting out the treasury management activities for the first six months of 2018/19, including prudential indicators, investment and borrowing.</p>   | Chief Accountant           |          |
| <p><b>Implementation of agreed Internal Audit Recommendations</b></p> <p>Report providing an update on the progress of the implementation of recommendations that had arisen from the final reports issued during 2017/18.</p>   | Business Assurance Manager |          |

| Title & Subject Matter  | Contact Officer               | Training |
|---|-------------------------------|----------|
| <p><b>2018/19 Q2 Service Performance Report (Information Sheet)</b></p> <p>Report providing information on specific performance indications from July to Sept 2018.</p>   | Policy Officer                |          |
| <b>10 January 2019</b>  |                               |          |
| <p><b>Draft Audit Committee Annual Report</b></p> <p>Proposed Annual Report of the work of the Audit Committee which is published on the Council's website.</p>   | Business Assurance Manager    |          |
| <p><b>Annual Review of the Risk Management Policy</b></p> <p>Review of the Council's Risk Management Policy and proposed changes</p>  | Business Assurance Manager    |          |
| <p><b>Treasury Management Strategy 2019/20</b></p> <p>Proposed Annual Treasury Management Strategy for 2019/20.</p>   | Chief Accountant              |          |
| <p><b>Ernst &amp; Young Annual Audit Plan &amp; Annual Fee Letter</b></p> <p>The Council's external auditors work plan for 2018/19 including their work on the Statement of Accounts, Value for Money opinion and grant claims. Also the proposed audit fees for 2019/20.</p> | Chief Accountant              |          |
| <p><b>Certification of Grants and Claims Annual Report</b></p> <p>Report from the Council's External Auditors on the results of their work of the 2017/18 Housing Benefit Subsidy Claim</p>   | Revenues and Benefits Manager |          |
| <p><b>Strategic Risk Register – Quarter 3 Monitoring Report</b></p> <p>Review the updated Strategic Risk Register - Quarter 3 monitoring report.</p>  | Business Assurance Manager    |          |
| <p><b>2018/19 Q3 Services Performance Report (Information Sheet)</b></p> <p>Report providing information on specific performance indicators from October to December.</p>   | Corporate Policy Officer      |          |

# Agenda Item 14



## INFORMATION SHEET

### Audit Committee

Issue No: 02-2018

Date Issued: 22 May 2018

### Regulation of Investigatory Powers Act 2000 ("RIPA") Annual Report 2018

Officer contact: Catherine Herries-Smith Ext: 3257 DDI: HW: 42125 Email: [Catherine.herries-smith@wycombe.gov.uk](mailto:Catherine.herries-smith@wycombe.gov.uk)

Members are asked to note the following the following annual update concerning RIPA policy and overall RIPA performance by the Council.

### **Background**

The Regulation of Investigatory Powers Act 2000 ("RIPA") was designed to regulate the use of investigatory powers and to satisfy the requirements of the European Convention on Human Rights on its incorporation into UK law by the Human Rights Act 1998. RIPA regulates the use of a number of covert investigatory techniques, not all of which are available to local authorities. The three types of technique available to local authorities are: the acquisition and disclosure of communications data (such as telephone billing information or subscriber details); directed surveillance (covert surveillance of individuals in public places); and covert human intelligence sources ("CHIS") (such as the deployment of undercover officers). Local authorities sometimes need to use covert techniques in support of their statutory functions. They, not the police, are responsible for enforcing the law in areas such as: environmental crime, taxi cab regulation; underage sale of knives, alcohol, solvents and tobacco and the employment of minors. The communications data powers are primarily used by local authorities to target rogue traders (where a mobile phone number can be the only intelligence lead). Directed surveillance powers are used in benefit fraud cases, to tackle anti-social behaviour (in partnership with the police) and flytipping, while CHIS and directed surveillance are used in test purchase operations to investigate the sale of tobacco, alcohol and other age-restricted products.

Wycombe District Council has the power under RIPA, the Regulation of Investigatory Powers Act 2000, to conduct authorised directed surveillance (DI) in connection with the conduct of criminal investigations. Although the Council is also permitted under RIPA to authorise the interception of communications data and the use of Covert Human Intelligence Sources it has not done so since RIPA came into force in 2000.

The Council's last inspection by the Officer of Surveillance of compliance with RIPA, on 28<sup>th</sup> November 2016, noted that hardly any use is made of the statutory powers

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by this authority. However given the potential need to use the powers it was recommended that training be provided to relevant staff in 2017, including on the use of social networking sites and potential dangers of officers, while investigating, arriving in potential RIPA territory without sufficient realisation. Such training was duly provided by external trainers, Bond Solon, on 2 November 2017 to investigating officers and legal advisers, authorising officers and those who deal in social media for their work. Staff should now have a better understanding of when they may be venturing into territory covered by the statutory powers.

### **Use of covert surveillance requiring authorisation under the Regulation of Investigatory Powers Act 2000**

There has been no covert surveillance carried out by Wycombe District Council since April 2014.

### **The Council's Policy and Procedures**

As reported to the Audit Committee last year, the Council's Policy and Procedures were updated following the OSC inspection and are available on the Council's website.

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