

Finance and Audit Scrutiny Committee

Wednesday 31 May 2017

A meeting of the Finance and Audit Scrutiny Committee will be held at the Town Hall, Royal Leamington Spa on Wednesday 31 May 2017 at 6.00pm.

Membership:

Councillor Barrott	Councillor Illingworth
Councillor Cain	Councillor Margrave
Councillor Davies	Councillor Noone
Councillor Gallagher	Councillor Quinney
Councillor Gifford	Vacancy - Conservative
Councillor Howe	

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

Part A – General Items

1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Appointment of Chair

To appoint the Chair of the Committee for the ensuing municipal year.

3. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. **Minutes**

To confirm the minutes of the meetings held on

(A) 7 March 2017; and

(B) 4 April 2017

(Pages 1 to 9)
(To follow)

4. **Minutes of Joint Finance & Audit and Overview & Scrutiny Meeting**

To confirm the minutes of the meeting held on 11 April 2017 **(Pages 1 to 3)**

Part B Audit Items

5. **Internal Audit Quarter 4 2016/17 Progress Report**

To receive a report from Finance

(Pages 1 to 37)

6. **Annual Governance Statement Action Plan 2016/17: Review of Progress**

To consider a report from Finance

(Pages 1 to 7)

7. **Annual Governance Statement 2016/17**

To consider a report from Finance

(Pages 1 to 13)

8. **Internal Audit Annual Report 2016/17**

To consider a report from Finance

(Pages 1 to 14)

Part C – Scrutiny Items

9. **Comments from the Executive**

To consider a report from Democratic Services

(Pages 1 to 5)

10. **Review of the Work Programme and Forward Plan**

To consider a report from Democratic Services

(Pages 1 to 17)

11. **Executive Agenda (Non Confidential Items and Reports) – Thursday 1 June 2017**

To consider the non-confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

You are requested to bring your copy of that agenda to this meeting.
(Circulated separately)

12. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

13. **Executive Agenda (Confidential Items and Reports) – Thursday 1 June 2017**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**You are requested to bring your copy of that agenda to this meeting.
(Circulated separately)**

14. **Confidential Minutes**

To confirm the minutes of the meetings held on 7 March 2017 **(Pages 1 to 3)**
(Not for Publication)

Agenda published Monday 22 May 2016

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114
E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports

You can e-mail the members of the Committee at f&a@warwickdc.gov.uk

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 7 March 2017 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Quinney (Chair), Councillors; Ashford, Barrott, Cain, Mrs Falp, Gifford, Harrington, Illingworth, Noone and Rhead.

Also present: Councillors Cross, Mobbs and Phillips.

110. Apologies and Substitutes

- (a) Apologies for absence were received from Councillor Thompson; and
- (b) there were no substitutes.

111. Declarations of Interest

Minute 117 - Finance & Audit Agenda Item 7 – The Monitoring of Section 106 Contributions

Councillor Gifford declared an interest because he was a Warwickshire County Councillor.

Minute 119 – Executive Agenda Item 12 – Request for Funding for a Community Hub in Norton Lindsey

Councillor Rhead declared a pecuniary interest because he had submitted the original application on behalf of the requestors and had been a promotor for the funding. He left the room whilst the item was discussed.

112. Minutes

The minutes of the meeting held on 7 February 2017 were taken as read and signed by the Chairman as a correct record.

Councillor Rhead questioned the minute relating to the item on the Infrastructure Delivery Plan. Officers at the meeting had agreed to insert additional columns to the spreadsheet detailing the work needed over the first five years and subsequent five years. However, these had yet to materialise. The Development Manager agreed to speak to the officers concerned and remind them.

113. Procurement Progress Update

The Committee received a report from Finance which updated Members on the progress on Procurement during the financial year 2016/17.

The report advised that the Procurement Team had been extremely busy over the past 12 months supporting the delivery of a large number of procurement exercises for goods, services and works.

The Procurement Manager introduced the report and advised that over the past 18 months procurement had been the focus of a number of new initiatives instigated by the European Union and UK Government.

In addition, new directives from the EU had been implemented through the Public Contract Regulations 2015 and The Local Government Transparency Code 2014 had introduced mandatory requirements on local authorities.

Appendix One to the report showed the 2016/17 Action Plan achievements and Appendix Two showed the completed, current and planned procurement projects for 2016-17. In addition Appendix Three showed the summary of live contracts with a total value of £5,000 or above on the Contracts Register.

Members queried the difficulties relating to staff retention in procurement and were advised that there were a number of companies offering attractive salaries outside of local authorities such as HS2 which Councils could not compete with.

It was noted that the Procurement Manager was the 'messenger' to a certain extent and ownership of the contracts fell to the relevant Heads of Service. However, to avoid separate records being kept, the Procurement Manager explained that the register was monitored on a monthly basis, the information was contained in one spreadsheet and filtered by service.

Concerns were raised that despite the work being done, the register was not always kept up to date and Members queried how the message could be pressed to Heads of Service about the missing information. In response, the Head of Finance referred to the updated Code of Procurement Practice and highlighted that work was being done on how best to file the contracts within the Corporate Support Team and would be fed into the strategy.

Overall, the Committee felt the report was positive and was pleased that progress was being made.

Resolved that the progress across the procurement function over the past 12 months is noted.

114. Executive Agenda (Non-Confidential Items & Reports – Wednesday 8 March 2017)

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 8 March 2017.

Item 7 – Bereavement Services – enhanced service provision

The Committee fully supported the recommendations in the report.

115. Review of Development Services Contracts Register

The Committee received a report from Development Services which set out the process for the review of the department's contract register and

highlighted any issues which needed to be addressed in the next twelve months.

The review of contract registers by the Committee allowed members the opportunity to consider the robustness of the register, make appropriate suggestions on how it could be improved and consider the document within the context of promoting sound procurement practice across the Council.

The latest version of Development Services' Contract Register was attached at Appendix 1 to the report.

The report was introduced by the Policy and Projects Manager, the Development Manager and the Portfolio Holder for Development Services, Councillor Cross.

The Policy and Projects Manager advised that officers had been working towards improving the register and locating documents as necessary. This also included making updates as and when required and adding contracts to the spreadsheet as they were procured.

In response to a question relating to the number of contracts not signed or without copies in the deed store, officers advised that the reasons were varied. Some contracts had electronic agreements which were stored on the L Drive and some had been inherited from previous managers and officers had struggled to get hold of a copy of the contract. In relation to the "IDOX" contract, officers were in the process of reviewing the terms of this contract and had been in negotiations for the past few months. It was hoped that a five year contract would be secured shortly bringing better value for money and a potentially high saving.

Councillor Rhead raised a query in relation to review dates and in particular the date relating to the CIL Viability contract on page five of the report. The Policy and Projects Manager advised that this had been overlooked and he took responsibility for this. Clarification was also provided on the procurement of legal services through the County Council on an ad hoc basis.

The Committee felt that the register was now in a much better state and credit should be given to the officers for the work done so far.

Resolved that the Contract Register for Development Services is noted.

116. **Executive Agenda (Non-Confidential Items & Reports – Wednesday 8 March 2017)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 8 March 2017.

Item 13A – Procurement Exemptions - CIL Viability and Retail Planning

The Committee supported the recommendations in the report subject to the removal of the repeat wording in recommendation 2.2.

117. The Monitoring of Section 106 Contributions

The Committee received a report from Development Services which provided an update on the operation of the Council's Section 106 monitoring database.

The monitoring of Section 106 agreements was continuing on a collaborative basis particularly involving officers within Development Services; Neighbourhood Services; and Housing and Property Services along with colleagues at Warwickshire County Council, particularly their Infrastructure Delivery Manager, Ms Neale who was also present at the meeting.

This matter was last considered by the Finance & Audit Scrutiny Committee in March 2016 and the ongoing review and development of the Section 106 database had continued. The review included meetings with Councillors Quinney, Rhead and Harrington which took place in late March; July and October 2016.

The report advised that whilst the overall database itself included some 145 agreements, the majority related to developments which had been completed and in respect of which no further action was required. The key focus of the monitoring work was the 34 currently active agreements in respect of which i. the development in question was currently underway; ii. there were payments which had been received but not yet spent; and/or iii. payments or commitments remained outstanding and were being sought.

In addition, there were currently 11 agreements on the database which related to developments that had not yet commenced.

The Portfolio Holder, Development Manager and Site Delivery Manager introduced the report and advised that the database contained a wealth of information that had not been available two years ago.

Ms Neale explained that her post had been created to bring Section 106 contributions together, she had been in post two years and an internal and external audit were taking place. She assured Members that officers were not resting on their laurels and they were robust in the collection of money. In addition, the County was focused on ensuring the money was spent on what it had planned it would be spent on and if not, the money would be returned.

Members asked questions and received clarification on a number of issues including the contributions detailed in paragraph 3.12 which were at a potential risk of being reclaimed. Ms Neale advised that there had been some growth in Kenilworth in 2010 and 2011 and the County was starting to collect the contributions but the County needed to identify what it wanted to spend the money on. In relation to the educational contributions, some of the primary funds had been spent but at present there had been no secondary spend and some decisions needed to wait for the outcome of the Local Plan.

The Site Delivery Manager addressed Members and advised that he monitored development sites every quarter. He explained that most of

the contribution trigger points were based on occupation of dwellings at which point he would contact the developer and on agreement would raise an invoice.

Members noted that if a S106 agreement needed to be varied it would have to come back to Planning Committee for approval because there was no delegated authority to officers. In addition, whilst Members were mindful that an internal audit was taking place at WCC they felt that it was important that officers recognised this was a joint venture.

The Audit and Risk Manager reminded Members that they needed to rely on District Council audits which had originally highlighted the weaknesses surrounding S106 contributions. Councillor Gifford advised that he was on the Audit Committee at WCC and had seen the spreadsheet detailed in its audit.

Councillor Mrs Falp reminded Members that they had a responsibility to know about the S106 agreements relating to their areas and she had emailed the Site Delivery Manager in the past when she knew a development had hit its trigger points.

The Portfolio Holder, Councillor Cross, summarised by congratulating the Finance and Audit Scrutiny Committee for its work on this subject and was encouraged by the level of cross Authority working taking place.

Resolved that the report be noted.

At the conclusion of this item the Chairman, Councillor Quinney, left the meeting temporarily and therefore nominations for a Chairman were sought.

118. Appointment of Chair in Councillor Quinney's absence

Resolved that Councillor Barrott be appointed as Chair in Councillor Quinney's absence.

119. Executive Agenda (Non-Confidential Items & Reports – Wednesday 8 March 2017)

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 8 March 2017.

Item 10 – Review of Approach to unauthorised encampments

The Committee supported the recommendations in the report, including the additional recommendation 2.7 as circulated in the addendum. Members highlighted the need to move forward with the identification of suitable sites at the earliest opportunity and welcomed the move to publicise the Council's responsibilities on the website. In addition, Members were pleased that a definitive Agency Contact list would be included in the protocol and requested that this be made available to all Councillors.

Item 11 – St Mary's Lands Delivery Plan for 2017/18

The Committee supported the recommendations in the report and commended the Working Party for their work to date.

Item 12 – Request for Funding for a Community Hub in Norton Lindsey

The Committee supported the recommendations but raised concerns that due to the request for funding coming from a limited company, which had the ability to sell shares, the Council should ensure its contribution was protected should the premises be sold on in the future. Therefore, the Committee agreed that an additional recommendation should be included as follows:

The Finance and Audit Scrutiny Committee recommended that a covenant be added to any agreement to ensure that if the Community Hub were to be sold on in the future, there would be a mechanism to recoup any contributions made by the Council.

The Executive are required to vote on this because it forms a recommendation to them.

120. Internal Audit Quarter 3 2016/17 Progress Report

The Committee received a report from Finance which advised on progress in achieving the Internal Audit Plan 2016/17, summarised the audit work completed in the third quarter and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit.

The Finance and Audit Scrutiny Committee was operating, in effect, as an audit committee in the context of receiving and acting upon this report. Guidance on the role and responsibilities of audit committees was available from a number of sources. That which related to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit, was summarised in Appendix 1 to the report.

To help fulfil these responsibilities, audit committees reviewed summary internal audit reports and the main issues arising, and sought assurance that action had been taken where necessary.

The report advised that at the start of each year Members approved the Audit Plan setting out the audit assignments to be undertaken and an analysis of progress in completing the Audit Plan for 2016/17 was set out as Appendix 2.

In addition, definitions of assurance levels were provided in section 10 of the report and a summary of the internal audit assignments completed during the quarter was provided in section 11 with a link to the corresponding reports. The report explained that none of the audits completed during the quarter was awarded a lower than substantial assurance opinion.

The action plans accompanying the internal audit reports issued in the quarter, were detailed at Appendix 3 to the report.

The Audit and Risk Manager introduced the report and highlighted an additional recommendation 2.2 which related to the approval of changes to the Audit Plan as explained in paragraph 9.3.

The report advised that late changes had been made to the Audit Plan by virtue of two audits in Housing and Property Services being postponed at the behest of the Deputy Chief Executive (BH). In addition, the Energy Management and Warwick Plant Maintenance audits had been replaced by audits of Lettings & Void Control and Planning Policy.

The Audit and Risk Manager advised that the Senior Management Team had agreed to the changes due to a number of staffing issues within Housing and Property Services, which included the currently vacant post of Head of Service.

In response to a question from Members, the Audit and Risk Manager confirmed that the changes had caused operational concerns with the Audit Department and the short notice from officers had not been ideal. He also explained that the time required from officers to assist with an audit varied but he did feel that there had been sufficient reason for the postponement on this occasion.

The Committee offered to support the Audit team in requesting a non-postponement of the audits but the Audit and Risk Manager declined this offer.

The Committee raised concerns that the length of the postponement was too long and suggested that Members request that the audit take place as early as possible and before the end of the calendar year 2017.

During discussions it materialised that the decision to postpone had been taken about a month previously but with no consultation with the Chairman of Finance & Audit.

Members agreed that the Chair, Councillor Barrott, should write to the Deputy Chief Executive expressing the Committee's disappointment at the postponement and requesting that the audits be completed by the end of the calendar year. In addition, it would be suggested that in future consultation should be undertaken with the Chair of the Finance and Audit Scrutiny Committee.

Resolved that

- (1) the report be noted and its contents be accepted; and
- (2) the Chair, Councillor Barrott, will write to the Deputy Chief Executive expressing the Committee's disappointment at the postponement of the two Housing and Property Services audits, requesting that these be undertaken by the end of the calendar year and in future any decisions to make changes to the

(Councillor Quinney returned to the meeting during the consideration of this item but did not resume the Chair)

121. Annual Governance Statement action Plan 2016/17: Review of Progress

The Committee received a report from Finance which allowed Members to review the progress that was being made in addressing the 'Significant Governance Issues' facing the Council as set out in its Annual Governance Statement 2015/16. The appendix accompanying the report set out the progress in addressing the Significant Governance Issues.

The Annual Governance Statement described governance arrangements relating to the Council's corporate priorities and key strategic projects that were reflected in Fit for the Future. The Fit for the Future programme was also based on an agreed set of values amongst which were the ones of openness and honesty. This was integral to the consideration of governance in an organisation; governance issues needed to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.

The arrangements would assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

The report explained that the Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) had emphasised that corporate governance was everyone's business and their definition was detailed at paragraph 8.1 of the report.

CIPFA and SOLACE had also issued a framework and guidance on delivering good governance in local government and the relative principles were outlined in section 8.2 of the report.

The Audit and Risk Manager introduced the report and explained the two significance governance issues detailed in the appendix. These were the Call-In Process and the Service Area Crisis Plans. A revised Call-In procedure had since been drafted and was to be considered by the Executive on 8 March with a view to it being agreed at Council on 20 April 2017.

With regard to the Service Area Crisis Plans, all plan owners had been contacted and encouraged to review and update their plans.

The Committee noted the report and were satisfied with the progress being made.

Resolved that the Committee is satisfied with the Action Plan set out in the Appendix to the report and with the progress being made in addressing the

122. Comments from the Executive

The Committee considered a report from Democratic Services which summarised the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 8 February 2017.

Members were disappointed with the Executive response to their comments relating to the Budget 2017/18. It was felt that the comment made had not been political and at that stage no comment had been passed to the Media.

The Committee agreed that their disappointment should be fed back to the Executive, and

Resolved that the report be noted.

123. Review of the Work Programme & Forward Plan

The Committee considered its Work Programme for 2016/2017 and the Forward Plan.

Resolved that its Work Programme be amended as follows:

- (1) the date of the Audit Opinion Plan should read 2016/17 not 2015/16;
- (2) The Significant Business Risk Register was an Executive item so did not need to appear on the work programme; and
- (3) the Procurement Evaluation be added to the April 2017 meeting.

124. Public & Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

125. Electrical Maintenance Contract – Final Report

The Committee received a report from the Deputy Chief Executive (AJ) relating to the letting of the Council's Electrical Contract.

The full minute for this item will be included in the confidential minutes to the meeting.

(The meeting ended at 9.30 pm)

Joint meeting of the Finance & Audit and Overview & Scrutiny Committees

Minutes of a joint meeting of the Finance and Audit and Overview & Scrutiny Committees held on Tuesday 11 April 2017, at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors Bromley, G Cain, Mrs Cain, D'Arcy, Mrs Falp, Miss Grainger, Harrington, Illingworth, Margrave, Naimo, Noone, Parkins, Quinney, Rhead, and Thompson.

1. Appointment of Chairman

It was proposed and duly seconded that Councillor Mrs Falp be appointed as Chairman for the meeting.

Resolved that Councillor Mrs Falp be appointed as Chairman for the meeting.

2. Apologies and Substitutes

(a) Apologies for absence were received from Councillors Ashford, Barrott, Boad, Davison, Edgington, Gifford and Mrs Redford.

(b) There were no substitutes.

3. Declarations of Interest

Minute 4 - Executive Agenda (Non-Confidential Items & Reports – Wednesday 12 April 2017) – Item 4 and Council Agenda (Non-Confidential Items & Reports – Wednesday 12 April 2017) – Item 12 – Europa Way – Strategic Opportunity Proposal

Councillor Bromley declared an interest because his son played for the football club's under 10s team.

Councillor Mrs Falp declared an interest because her son was a shareholder and her grandson played for the football club's under 8s team.

Councillor Margrave declared an interest because his wife was a shareholder in the football club.

Councillor Thompson declared an interest because he was employed by Warwick University and while this recommendation was to be noted if this aspect was considered, he would leave the room.

Minute 6 - Executive Agenda (Confidential Items & Reports – Wednesday 12 April 2017) – Item 6 and Council Agenda (Non-Confidential Items & Reports – Wednesday 12 April 2017) – Item 15 – Europa Way – Strategic Opportunity Proposal

Councillor Bromley declared an interest because his son played for the football club's under 10s team.

Councillor Mrs Falp declared an interest because her son was a shareholder and her grandson played for the football club's under 8s team.

Councillor Margrave declared an interest because his wife was a shareholder in the football club.

Councillor Thompson declared an interest because he was employed by Warwick University and while this recommendation was to be noted if this aspect was considered, he would leave the room.

Minute 6 - Executive Agenda (Confidential Items & Reports – Wednesday 12 April 2017) – Item 7 – Note of Decision taken under Chief Executive's Emergency Powers

Councillor Mrs Falp declares an interest because her son was a shareholder and her grandson played for the football club's under 8s team.

Councillor Margrave declared an interest because his wife was a shareholder in the football club.

4. Executive Agenda (Non Confidential Items and Reports) – Wednesday 12 April 2017

The Committees considered the following non-confidential item which would be discussed at the meeting of the Executive on Wednesday 12 April 2017.

Item 4 and Council Agenda (Non-Confidential Items & Reports – Wednesday 12 April 2017) – Item 12 – Europa Way – Strategic Opportunity Proposal

The Committees considered a report from the Chief Executive, which provided Members with an update on the progress to implement the decisions made at the March 2015 Council/Executive in respect of the Strategic Opportunity Proposal for land at Europa Way, Warwick.

The Committees noted the contents of the report.

5. Public and Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

6. **Executive Agenda (Confidential Items and Reports) – Wednesday 12 April 2017**

The Committees considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 12 April 2017.

Item 6 and Council Agenda (Non-Confidential Items & Reports – Wednesday 12 April 2017) – Item 15 – Europa Way – Strategic Opportunity Proposal

Having considered a report from the Chief Executive, which provided Members with an update on the progress to implement the decisions made at the March 2015 Council/Executive in respect of the Strategic Opportunity Proposal for land at Europa Way, Warwick (minute 4), the Committees considered the confidential appendices to this report.

The Committees noted the revised business plan from the football club and their commitment to it. The Committee recognised that the business plan would continue to be monitored by the Council as part of this project. It also noted that at an appropriate time, the business plan may be subject to a further independent assessment.

Item 7 – Note of Decision taken under Chief Executive’s Emergency Powers


The Committees considered a report from the Chief Executive on a decision taken by the Chief Executive in consultation with Group Leaders under the emergency powers of the Council’s constitution (CE (4)).

The Committee noted the contents of the report.

Councillor Mrs Falp explained to the Committee that she had excluded herself from the consultation by the Chief Executive on this decision because of a conflict of interest she had on the decision. The Chief Executive confirmed that this had been the case.

In addition, Councillors Mrs Falp and Margrave asked for it to be recorded that they were not in favour of the decision taken by the Chief Executive.

(The meeting ended at 6.43 pm)

 Finance and Audit Scrutiny Committee 31 May 2017		Agenda Item No. 5
Title	Internal Audit Quarter 4 2016/17 Progress Report	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 7 March 2017	
Background Papers	Internal Audit Reports	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <u>must</u> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	10 May 2017	Chris Elliott
Section 151 Officer	10 May 2017	Mike Snow
Monitoring Officer	10 May 2017	Andrew Jones
SMT	10 May 2017	Senior Management Team
Human Resources		
Finance	10 May 2017	As Section 151 Officer
Portfolio Holder	10 May 2017	Councillor Whiting
Consultation and Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 Summary

- 1.1 Report advises on progress in achieving the Internal Audit Plan 2016/17, summarises the audit work completed in the second quarter and provides assurance that action has been taken by managers in respect of the issues raised by Internal Audit.

2 Recommendations

- 2.1 That the report be noted and its contents be accepted or, where appropriate, acted upon.

3 Reason for the Recommendations

- 3.1 Members have responsibility for corporate governance, of which internal audit forms a key part.

4 Alternative Options Considered

- 4.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

5 Budgetary Framework

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 Policy Framework

- 6.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Council's policies.

7 Risks

- 7.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 7.2 It is difficult to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

8 Role and Responsibilities of Audit Committees

- 8.1 Finance and Audit Scrutiny Committee is operating, in effect, as an audit committee in the context of receiving and acting upon this report. Guidance on the role and responsibilities of audit committees is available from a number of sources. That which relates to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit is summarised in Appendix 1.

- 8.2 Essentially, the purpose of an audit committee is:
- To provide independent assurance of the associated control environment.
 - To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
- 8.3 To help fulfil these responsibilities audit committees should review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- 8.4 The following sections provide information to satisfy these requirements.

9 **Progress against Plan**

- 9.1 At the start of each year Members approve the Audit Plan setting out the audit assignments to be undertaken. An analysis of progress in completing the Audit Plan for 2016/17 is set out as Appendix 2.
- 9.2 As can be seen, the Audit Plan for 2016/17 has been completed.

10 **Assurance**

- 10.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of financial and other management controls.
- 10.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

Assurance Levels

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with the controls that do exist.

These definitions have been developed following extensive investigation of other organisations' practices (including commercial operations).

11 **Internal Audit Assignments Completed During Quarter**

- 11.1 Seventeen audits were completed in the final quarter of 2016/17. Copies of all the reports issued during the quarter are available for viewing on the following hyper-link: [Reports](#).

- 11.2 The action plans accompanying all Internal Audit reports issued in the quarter are set out as Appendix 3. These detail the recommendations arising from the audits together with the management responses, including target implementation dates.
- 11.3 As can be seen, responses have been received from managers to all recommendations contained in audit reports issued during the quarter in question.
- 11.4 One of the audits completed during the quarter was awarded a lower than substantial assurance opinion. The audit was 'Building Control'. In line with procedure the report relating to this audit is set out as Appendix 4 for specific scrutiny.

12 **Implementation of Recommendations Issued Previously**

- 12.1 Managers are required to implement recommendations within the following timescales:
 - (a) Recommendations involving controls assessed as high risk to be implemented within three months.
 - (b) Recommendations involving controls assessed as low or medium risk to be implemented within nine months.
- 12.2 The state of implementation of **low and medium risk** recommendations made in the **third quarter of 2015/16** and **high risk** recommendations issued in the **first quarter of 2016/17** are set out in Appendix 5 to this report.
- 12.3 As can be seen, responses have been received from all managers in order to provide the state of implementation of recommendations issued in these earlier quarters.

13 **Review**

- 13.1 Members are reminded that they can see any files produced by Internal Audit that may help to confirm the level of internal control of a service, function or activity that has been audited or that help to verify the performance of Internal Audit.

GUIDANCE ON THE ROLE AND RESPONSIBILITIES OF AUDIT COMMITTEES

Public Sector Internal Audit Standards 2013

Independence and Objectivity

The chief audit executive must...establish effective communication with, and have free and unfettered access to...the chair of the audit committee.

Glossary

Definition: Audit Committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

Audit Committees: Practical guidance for Local Authorities (CIPFA)

Core Functions

Audit committees will:

... Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Suggested Audit Committee Terms of Reference

Audit Activity:

- To consider the Head of Internal Audit's report and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

Called to Account: The Role of Audit Committees in Local Government (Audit Commission)

Monitoring Audit Performance

Auditor/officer collaboration

Slow delivery and implementation of recommendations reduces the audit's impact and can allow fraud to flourish or service delivery to deteriorate. Audit committees can play a key role in ensuring that auditors and officers collaborate effectively. This can enable auditors' reports to be dovetailed into the relevant service committee cycles and ensure that officers respond promptly to completed audit reports.

Management response

An audit committee can ensure that officers consider these recommendations promptly, and act on them where auditors have raised valid concerns.

Implementation

Agreed recommendations arising from audit work need to be implemented. Councils should have a forum for considering the contribution of internal and external audit and for ensuring that audit is, in practice, adding value to corporate governance.

Audit committees can be a powerful vehicle for securing implementation of audit recommendations and thereby improve the operation and delivery of Council activities.

CIPFA Technical Information Service Online

Audit Reporting

Introduction

Internal auditors should produce periodic summary reports of internal audit's opinion and major findings.

The...report could also be issued to senior management of the organisation but should primarily be issued to the audit committee to report upon the soundness or otherwise of the organisation's internal control system. This report will form the conclusion of the work undertaken by internal audit during the period of the report. A summary of the scope of this internal work should also be included in the report.

Periodic Internal Audit Reports

Audit committees should not normally be provided with the full text of internal audit reports. Audit reports are mainly concerned with operational details while audit committees and members or non-executive directors should be concentrating on ensuring that the organisation's system of internal control is effective and that the strategic or corporate objectives are being achieved efficiently. Members or non-executive directors' interest in internal audit should normally be restricted to gaining an assurance that the organisation's systems of internal control are adequate and that where audit does not consider this to be the case that action is taken to ensure that any short comings are rectified promptly.

Audit committee members should not usually get involved in discussing individual internal audit findings or recommendations but should concentrate their attentions on the opinions internal audit express on the activities and systems they have reviewed. These opinions should be summarised and should provide a clear opinion on the overall quality of the organisation's internal control system and the general level of performance across the organisation. Members or non-executive directors should not be over concerned with adverse internal audit conclusions if reasonable recommendations suggested by internal audit have been accepted and that these have been promptly implemented.

If, however, major internal control weaknesses are discovered these should be reported to the audit committee as this may indicate general weaknesses in the management of the section or the department concerned. Audit findings that appear to show a common thread of similar weaknesses throughout the organisation should also be reported to the audit committee.

INTERNAL AUDIT PROGRESS 2016/17: QUARTER 4**ANALYSIS OF PERFORMANCE****Time Spent: Audit Plan – Planned Vs Actual**

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	267.0	267.0	269.5	-2.5
<u>Other Time</u>				
Sundry audit advice	25.0	25.0	21.1	+3.9
Special investigations (e.g. Fraud/Irregularities)	27.0	27.0	25.8	+1.2
Corporate and departmental Initiatives	45.0	45.0	36.0	+9.0
Non-chargeable activities	106.0	106.0	122.3	-16.3
Leave and other absences	102.0	102.0	96.0	+6.0
<i>Total Other Time</i>	305.0	305.0	301.2	+3.8
<i>Total Time</i>	572.0	572.0	570.7	+1.3

Time spent: Assignments Completed – Planned Vs Actual

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Corporate Governance	5.0	5.5	-0.5
Human Resources Management	10.0	7.6	+2.4
Corporate Property & Portfolio Management	12.0	13.3	-1.3
Planning Policy	8.0	6.9	+1.1
Collection of Council Tax	10.0	11.1	-1.1
ICT Business Continuity / Disaster Recovery	Contracted-out audit		
ICT Change Management and Testing	Contracted-out audit		
Business Applications – TOTAL Financial Management	Contracted-out audit		
Patching and Firmware Updates	Contracted-out audit		
Recruitment and Selection, Terms and Conditions	8.0	7.8	+0.2
Golf Course	10.0	9.1	+0.9
Catering Concessions	7.0	5.1	+1.9

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Building Control	14.0	17.2	-3.2
Conservation & Design	7.0	7.4	-0.4
Crime and Disorder	10.0	7.5	+2.5
Lettings and Void Control	10.0	10.5	-0.5
Open Spaces	10.0	11.2	-1.2

Explanation for variances than 2 days (unless within 20%):

Human Resources Management: Ease of access to information meant that it didn't take as long to complete as planned.

Building Control: Full audit of the service covering all aspects of the partnership – wanted to ensure appropriate coverage; plus there was some extended report discussions/amendments.

Crime and Disorder: Although there was full coverage the assignment did not take as long as expected.

Completion of Audit Plan: Target Vs Actual

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
37	37	100.0	37	100.0	0	0.0

SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS
ISSUED QUARTER 4, 2016/17

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Human Resources Management – 15 March 2017				
No recommendations arising.				
Corporate Property & Portfolio Management – 29 March 2017				
No recommendations arising.				
Collection of Council Tax – 7 February 2017				
No recommendations arising.				
ICT Disaster Recovery and Business Continuity – 27 March 2017				
4.2.2	The Business Application Supplier Strategy and the Staff Absence Strategy should be confirmed as current and the review date noted in the document.	Low	ICT Services Manager	These have now been reviewed and updated. TID: Completed.

¹ Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.3	A strategy for continued operations in terms of alternative locations and/or equipment should be established.	Medium	CMT / Deputy Chief Executive (AJ)	Options for delivering "continued operations" to be developed and considered with the objective of agreeing a solution within the next six months. TID: September 2017.
ICT Change Management and Testing – 22 March 2017				
4.3.2	Management should update the 'ICT Services – Change Management Policy'.	Low	Applications Support Manager	The ICT Services – Change Management Policy has been updated to reflect the current practices, including changes in the use of the new service desk system. TID: Completed.
4.4.6	Management should standardise and enforce the documentation of approval through the use of custom fields in the system.	Medium	Applications Support Manager	While accepting the recommendation, Management does not believe that the Service Desk custom fields will provide an adequate method to enforce authorisation. Instead, Management will explore the Change Advisory Board functionality within the Service Desk system. TID: 30 September 2017.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Business Applications: TOTAL Financial Management – 22 March 2017				
4.3.4	Management should investigate options around updating the version of TOTAL and plan/schedule the required upgrade to the system.	Medium	Principal Accountant (Systems)	Resources have put aside to deal with the Scanning project on TOTAL. The project has had three different consultants from TOTALMOBILE, with the latest having to correct errors made by the first one. TOTALMOBILE's client managers are aware of this and the delay caused by the company's errors (up to nine months delay). They have agreed to continue to support our current version until we upgrade in early 2018. The upgrade is a project within the Finance Service Plan for 2017/18 TID: January 2018.
4.3.5	Management should obtain and review the agreement to ensure that it is up-to-date, reflects current arrangements and meets Council requirements.	Low	Principal Accountant (Systems)	Agreed. The System Owner has some documentation that was passed over by the Financial Services Manager. This will be raised at the next meeting with the TOTALMOBILE client manager. TID: July 2017.
4.5.3	The accounts should be reviewed and any generic accounts replaced with named individual accounts for those requiring access.	Low	Finance Admin Manager / Senior Finance Administration Officer	These user accounts have been de-activated for a long while now and were only used in the Train module by the IT trainer (post no longer exists). TID: Not applicable.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.6.3	Management should investigate methods of identifying and reviewing access levels of staff changing roles, such as via reporting from HR.	Low	Finance Admin Manager / Senior Finance Administration Officer	HR have asked ICT to provide the details of movers when they provide information on starters and leavers. TID: June 2017.
Patching and Firmware Updates – 28 March 2017				
4.3.3	Management should update the 'ICT Patch Management Policy' and review at least annually to ensure it remains current and valid.	Low	ICT Services Manager	Accepted. As mentioned in the report, the policy was due for an update due to recent changes and this has been completed. No further action required. TID: Complete.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.6	The patches in question should be reviewed to ensure that any risk is being mitigated or addressed by the patching regime.	Medium	ICT Services Manager	<p>Without enormous resource it is impossible to be 100% patch compliant at any given point in time. Microsoft alone release on average 50 security patches a month which need to be deployed to over 700 devices. This means there are 35,000 patch deployments to be monitored each month. A 5% failure could result in 1,750 patches requiring investigation, which is clearly impractical to undertake without a dedicated team. Furthermore, when we have investigated missing patches they have often been superseded by new patches which we have subsequently applied or the patch was not relevant. Therefore, as this audit indicates, the Council needs to rely on the fact that we have a robust mechanism in place for patching and accepts that there will be some failures. To support this ICT takes a more holistic approach which involves monitoring and identifying machines which are not being patched.</p> <p>This approach has been discussed with and accepted by Internal Audit.</p> <p>TID: Complete.</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.2	Management should address or seek to mitigate risks posed by the remaining missing patches.	Medium	ICT Services Manager	Many of the same issues above apply to this recommendation. However, given that this snapshot was taken 6 months ago, it is highly unlikely that many of the missing patches will remain valid. The practicalities of this position have been accepted by PSN in the past. However, ICT will naturally undertake whatever actions PSN recommend and require to remain PSN compliant. TID: Complete.
Recruitment and Selection, Terms and Conditions – 8 March 2017				
4.2.4	Relevant policy documents should be reviewed to ensure that they are still accurate, with a review of electronic links being performed to ensure that they point to the correct documents.	Medium	HR Manager	As part of the ongoing review of Policies these documents will now be prioritised as part of the HR Forward Plan. We are working with the new Social Media Officer to review the HR Intranet site and ensure that accessibility and search are robust for staff and managers. TID: End Sept 2017.
4.4.5	Recruiting managers should be instructed to provide evidence of the short-listing process and the interview scoring to HR.	Medium	HR Manager	To include as part of the HR support guidance. HR support team to follow up with Recruiting Manager pre- interview and post recruitment to ensure shortlisting information is filed. TID: End May 2017.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Golf Course (Contract Management) – 31 March 2017				
4.5.7	A decision should be taken as to whether Mack are recharged for the utilities used between April 2015 and the time that the quarterly billing commences. If so, an invoice should be raised as soon as possible to cover this period.	Low	Deputy Chief Executive / Head of Cultural Services	The readings required to raise the further invoice are available but, until the discussions with Mack are concluded regarding the previous utilities invoice, it is not considered appropriate to raise another invoice. Once this has been resolved the issue will be revisited. TID: September 2017.
4.6.2	The existence of the signed parent guarantee document should be confirmed and, if this cannot be found, the guarantees should be sought from the contractor as soon as possible.	Low	Deputy Chief Executive / Head of Cultural Services	Will be addressed as part of the discussions with Mack and a signed PCG will be filed with the Lease and Agreement as soon as complete. TID: September 2017.
4.6.4	The contractor should be asked to provide evidence that they hold professional liability insurance as required by the contract. If it is found that this is not in place they should be advised to take it out.	Low	Sport and Leisure Contracts Manager	Agreed. The contractor will be approached to provide evidence of the professional liability insurance. TID: May 2017.
4.6.6	Mack should be advised to stop insuring the buildings and should be charged for the insurance provided by the Council as set out in the lease.	Low	Sports & Leisure Contract Manager	Agreed. Mack will be advised to cancel their insurance and that they will be recharged in accordance with the lease. TID: Completed.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Catering Concessions – 31 March 2017				
4.5.3	The budget figure for the Jephson's Brasserie commission income should be reviewed to ensure that it reflects true income levels in future years.	Low	Arts Manager	The budgetary figures for the contract will be reviewed and adjusted accordingly by the Arts Manager during the first quarter of 2017/18 as part of the established budget monitoring process. 31 July 2017.
4.5.6	Ad-hoc checks should be performed of the sales figures provided by Kudos.	Low	Arts Manager	Ad-hoc checks of the sales figures will be scheduled and put in place from 1st April 2017. It has already been agreed with Kudos as part of this audit that they will provide WDC with the information required. 30 November 2017.
Building Control – 31 January 2017				
4.4.2	The procedure manual should be updated to reflect current working processes.	Low	Head of Consortium & Business Support Manager	The Business Support Manager is to process the admin section of the manual. However, as they are currently short staffed in Admin team, the document will be disseminated amongst the group and collated. It was noted that the document was last visited in 2007. TID: March 2018.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.8	Staff should be reminded of the correct procedures to undertake regarding the processing of applications, including the completion of relevant fields on Acolaid, the retention of relevant documentation and the need for timely processing.	Medium	Head of Consortium, Principal Building Consultants & Business Support Manager	<p>1. April 2017. Retraining identified for all officers within the group on Acolaid and IDOX procedures. It is noted that new staff work remotely alongside ex Rugby and Daventry staff who are new to the system. TID: June 2017.</p> <p>2. New applications to be processed within 48 hours and this will be monitored by the Principal Building Consultants. TID: January 2018.</p>
4.4.9	Sample case monitoring should be undertaken by senior staff to ensure that applications are being appropriately processed, with the system being completed accurately.	Medium	Head of Consortium	<p>Sample testing will be undertaken from all three areas across the group, namely Daventry, Rugby and Warwick areas. TID: Quarterly basis. April 2017.</p>
4.5.4	The figures included in the budget for consultants' fees and the recharges to others should be reviewed and amended accordingly.	Low	Head of Consortium & Business Support Manager	<p>The figure for consultants' fees has now been reduced. The recharges figure has also been amended, although this is still below the anticipated actual figure so this will be discussed with the Assistant Accountant. Staff are also advised of the financial status of the service at monthly meetings. TID: April 2017.</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.6	An annual financial statement should be produced and published.	Medium	Head of Consortium, Business Support Manager & Assistant Accountant	It is noted that other authorities are including the figures in their main accounting statements and this may be the approach we also take to be consistent. However, the issue of how and where the information is published will be discussed and agreed with the Board. TID: April 2017.
4.5.13	The fee parameter table in Acolaid should be updated to include the correct figures.	Low	Head of Consortium & Business Support Manager	The fee table has now been reviewed and updated during a scheduled meeting with IDOX. TID: Completed.
Conservation & Design – 13 February 2017				
4.2.7	The GIS Team should be made aware of all changes to conservation areas and listed buildings in a timely manner.	Low	Principal Conservation & Design Officer, GIS Manager, and Planning Administration Manager	Historic England has amended their procedures so that the Warwick District Council GIS Manager, and Planning Administration Manager, are automatically informed when alterations are made to the national list. TID: Completed.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Crime and Disorder – 9 January 2017				
4.2.8	Consideration should be given to including a section on crime and disorder implications in (all or selected) committee reports.	Low	Safer Communities Manager & Democratic Service Manager / Deputy Monitoring Officer	Discussions to be held with Committee Services to review. TID: Completed.
4.2.12	The YouTube video, regarding the priorities of the SWCSP, should be updated to include recent statistics.	Low	Safer Communities Manager	The video cannot be updated. A comment is to be placed on the website to demonstrate the priorities remain the same. TID: Completed.
4.2.12	A link to the video should be included on the relevant pages of the WDC website.	Low	Safer Communities Manager	The link to the video has been checked and updated. TID: Completed.
4.4.9	The Community Safety page of the council's website should be updated to show the latest crime figures.	Low	Safer Communities Manager	The figures have been updated on the website. TID: Completed.
Lettings and Void Control – 31 March 2017				
4.2.3	Procedure notes should be drawn up for the housing allocation process.	Low	Housing Advice and Allocations Manager	Procedure notes for the allocations process will be drafted. TID: July 2017
4.3.5	Staff should be reminded of the need to ensure that all documents are scanned to the correct network files.	Low	Housing Advice and Allocations Manager	Email sent 30/3/2017. TID: Completed.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.8	Consideration should be given to limiting the number of offers that HomeChoice applicants can refuse following successful bids for properties.	Low	Housing Advice and Allocations Manager	This will be considered as part of the Homechoice 2016 Review. TID: November 2017
Open Spaces – 31 March 2017				
4.2.5	Review of the Green Space Strategy and refresh of the Green Space Action Plan should be scheduled on the Forward Plan at an appropriate juncture.	Low	Head of Neighbourhood Services / Green Space Team Leader	Agree with recommendation. TID: October 2017.
4.3.4	The role of the Green Space Development Group should be clarified by documented terms of reference including a timeframe for report back to Executive and/or Scrutiny Committee as appropriate.	Low	Head of Neighbourhood Services / Green Space Team Leader	Agree with recommendation. To be developed, presented and discussed at the next Green Space Development Group meeting. TID: June 2017.
4.6.6 (1)	Project tracking procedures should be implemented to ensure that issues likely to impact significantly on the project timetable or lead to cost escalations are promptly logged with explanations and actions taken.	Low	Head of Neighbourhood Services / Green Space Team Leader	Agree with recommendation. TID: From now onwards.
4.6.6 (2)	Project timetables and cost allocations should be updated as and when they change during each project.	Low	Head of Neighbourhood Services / Green Space Team Leader	Agree with recommendation. TID: From now onwards.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.6.6 (3)	A completion report should be implemented for each project to be signed off by the Green Space Team Leader and Head of Neighbourhood Services.	Low	Head of Neighbourhood Services / Green Space Team Leader	Agree with recommendation. TID: From now onwards.

**AUDIT REPORTS WITH MODERATE OR LOW LEVEL OF ASSURANCE
ISSUED QUARTER 4 2016/17**

Building Control – 31 January 2017

1 Introduction

- 1.1 In accordance with the Audit Plan for 2016/17, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. This topic was last audited in January 2016.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 Building Regulations apply to most types of building works and set minimum standards to ensure the safety of people in and around buildings.
- 2.2 Warwick Building Control is a partnership providing building control services to Warwick District Council (the host authority), Daventry District Council and Rugby Borough Council.
- 2.3 The partnership was established in April 2015 to enable the councils to work together to maximise the use of resources for the provision of a shared, professional, and effective building control service to the council's respective communities.
- 2.4 The previous audit covered the governance of the partnership as a whole but concentrated the testing on applications relevant to Warwick District Council only. It was, therefore, agreed that a follow-up audit would be undertaken to cover the provision of the services to all parties.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Service provision and monitoring
 - Roles and responsibilities
 - Application processing
 - Finance
 - Contingency planning and risk management.

3.3 The control objectives examined were:

- All parties are aware of what the partnership aims to achieve in relation to the services being provided
- All parties are kept informed of performance against the stated aims and objectives
- All members of the partnership are aware of what is expected of them
- Each staff member is aware of their roles and responsibilities
- A consistent and timely service is provided across the partnership
- Appropriate records are maintained
- Management are aware of day-to-day operational performance
- Fees are set in line with costs enabling the required 'break-even' position to be achieved
- The council complies with relevant legislation
- All relevant stakeholders are aware of the fees that have been set
- Applicants are charged the appropriate fee for each application
- The council (partnership) receives all monies due to it
- Each partnership member pays the correct amount for the services provided
- Contingency plans exist to ensure that the services can continue to be provided
- The council and the wider partnership are aware of the risks in relation to the services provided and have taken steps to address them.

4 **Findings**

4.1 **Recommendations from Previous Report**

4.1.1 The current position in respect of the recommendations from the audit reported in January 2016 is as follows:

Recommendation	Management Response	Current Status
1 References to discontinued mitigation measures in the Development Services Risk Register should be identified and removed and the applicable risks re-evaluated as appropriate.	Risk register to be reviewed.	The risk register has been updated accordingly.
2 Future reviews of the Development Services Risk Register should ensure that risk mitigation measures specified truly represent actual procedures being followed.	Risk register to be reviewed.	A recent review was evidenced at the time of the audit.

4.1.2 A number of other minor issues were noted but, as work was already in

progress to address them, no formal recommendations were included in the report in relation to these.

4.2 Service Provision & Monitoring

4.2.1 A formal service level agreement is in place which all partnering authorities have signed up to. A business plan is also now in place, covering the period 2016 to 2019 and minutes provided from the board meeting held in September 2016 confirm that all board members have confirmed their acceptance of the plan.

4.2.2 The plan includes a Mission Statement which sets out the overall aim of the partnership (formally named as Warwick Building Control) along with the organisation objectives.

4.2.3 Further aims and objectives are set out in other sections of the document, such as the aim of achieving 'at least the maintenance of its current market share ...' as part of the Market Analysis section and an 'overall direction of travel' and associated aims included in the Strategic Plan section.

4.2.4 Partnership Board meetings are now being held every three months. They were being held every two months but quarterly meetings were considered to be more relevant as this ties in with the production of the quarterly monitoring figures. The latest board minutes were provided and were found to include details of certain performance aspects such as finance along with issues that may affect overall performance such as staff workload and issues over the migration of data.

4.2.5 Operational meetings are also held. The Head of Consortium (HoC) advised that team meetings are held on a monthly basis with all staff being invited to attend, although it is not always possible due to site visits etc. The Head of Development Services also attends when possible. These meetings have formal agendas and are minuted, with performance figures also being discussed at these meetings.

4.2.6 The business plan includes various different performance measures including targets for the day-to-day works in the Operational Plan section. Local and national key performance indicators are also detailed within the plan with these targets and measures generally overlapping. As well as these defined measures, there are other targets such as market share that are included within the document.

4.2.7 Various performance reports are prepared with weekly reports, such as the Applications Awaiting Decision reports, mainly for action of the individual officers with the monthly reports, including compliance with acknowledgement targets, being presented to the board meetings for information.

4.3 Roles & Responsibilities

4.3.1 The shared services agreement clearly sets out the responsibilities of the various parties. This is largely relevant to the host authority, as they have

the responsibility for the day-to-day operations of the partnership. However, it also identifies the responsibilities of the Management Board and specific responsibilities of individual councils in relation to issues such as payments and provision of office accommodation and ICT.

- 4.3.2 The HoC provided job descriptions for the majority of positions within the organisational structure. However, when the initial request was made for copies of the job descriptions, there was no job description in place for the Building Consultant post.
- 4.3.3 The HoC suggested that a new job description for this post may not have been created although it would be in line with the previous Building Control Officer post from the old structure with the only real change being in the form of the job title. He subsequently created a job description document for this post.
- 4.3.4 He also advised that the job descriptions cover staff from all of the partnering authorities although some staff still retain their old terms and conditions. However, he suggested that this is due to change.
- 4.3.5 The current staffing structure was compared to that as set out in the business plan. The HoC advised that there is currently one vacancy at Senior Building Consultant level and one Business Support Officer vacancy.
- 4.3.6 There have also been two staff appointed at lower levels with one Assistant Building Consultant and one Building Consultant being employed instead of two further Senior Building Consultants. However, this has not been reflected in the plan document. Whilst it is not considered necessary to include a recommendation, this should be taken into account when the business plan is next reviewed.

4.4 **Application Processing**

- 4.4.1 A procedure manual was found to be in place. However, as at the time of the previous audit, this still needs to be reviewed and updated. The copy provided showed procedures dated from October 2007 and the sample procedures reviewed (Full Plans Processing) were no longer being followed.
- 4.4.2 No recommendation was included in the previous report as the draft business plan in place at the time identified this issue and completion of the review and compilation of the new procedure manual was scheduled for completion during the first and second quarters of 2016/17. However, this process has still not been completed at the time of the audit in quarter three. As a result it is felt that a formal recommendation is required this time around.

Risk

Staff may not provide a consistent service.

Recommendation

The procedure manual should be updated to reflect current working processes.

- 4.4.3 The HoC advised that there are some internal timescales as well as formal, statutory, timescales. Internally there are measures for the time taken to formally process the applications and place them on deposit (24 hours) and to undertake the checking of the plans (one week) and these timescales are proactively monitored on the fee / application manager spreadsheets that are maintained.
- 4.4.4 The statutory timescales relate to the amount of time taken for a formal decision to be taken. This should be undertaken within five weeks from the date that the application is placed on deposit. However, applicants can also advise whether they are willing to accept a slightly longer timescale of two months and this is evidenced via a tick box on the application forms (or a response on the online applications).
- 4.4.5 The HoC highlighted that adherence to the timescales will be partly down to whether the architects respond to the request for further details. Some applications may be conditionally approved if the applicants are willing to accept this in order for the applications to be decided within the relevant timescale.
- 4.4.6 Sample testing on the timeliness of decision notices was undertaken as part of a general test of application and fee processing. As there are no current procedures, the sampled applications could not be tested against them. However, general processing testing was undertaken based on the processes established during the walkthrough reviews.
- 4.4.7 The sample of 30 applications chosen for testing was split equally between all three partnering authorities. Testing concentrated on full plans applications as the processes undertaken for the other types of applications are encompassed within the processing of full plans applications.
- 4.4.8 On the whole the applications were being processed appropriately. However, a few minor issues were identified:
- In two cases copies of acknowledgement letters and responses from consultees were not attached to IDOX.
 - When reviewing IDOX for one application it was noted that a receipt relating to a different application had been stored in the file.
 - A general point was noted with copies of letters being stored which contained incomplete information. In some cases amended documents were also on the system, but it was unclear, due to the nature of the document storage, as to whether the initial, incomplete letters had been issued.
 - Two decision notices had not been issued in a timely manner. In another case, there was no deposit date on the system so it was not possible to confirm whether the decision was timely.
 - Two issues were noted with the completion of relevant fields on Acolaid:
 - In four cases, consultee responses had been received from the fire service and were held on IDOX, but no details had been entered to show that the consultation had taken place.

In five cases there was no commencement date in the system. This was largely down to the way that the relevant inspection details had been entered.

- Inspection details were against the wrong case for one application. A full plans application had been withdrawn and a new building notice application for the same property had been received, but some inspection notes had been made against the old full plans application.

Risk

Applications may be inappropriately processed.

Recommendation

Staff should be reminded of the correct procedures to undertake regarding the processing of applications, including the completion of relevant fields on Acolaid, the retention of relevant documentation and the need for timely processing.

- 4.4.9 Despite staff from partner authorities having to use different systems and the number of new staff within the partnership there is currently no 'quality assurance' case monitoring being undertaken.

Risk

Applications may be inappropriately processed.

Recommendation

Sample case monitoring should be undertaken by senior staff to ensure that applications are being appropriately processed, with the system being completed accurately.

- 4.4.10 The Senior Building Consultant involved in the migration of data onto the Acolaid system being used by the partnership advised that, whilst the Daventry DC migration had now been completed, there are still some issues being encountered. The Rugby BC migration was now underway and this was anticipated to be a smoother migration due to the lessons learnt.

4.5 Finance

- 4.5.1 The HoC and the relevant Assistant Accountant (AA) both highlighted that it had not been easy in the early days of the partnership to ensure that all relevant costs were known, with some staff transferred from Rugby keeping their old terms and conditions and other costs, such as IT, being missed. There had also been an expectation that Coventry would be part of the partnership.
- 4.5.2 The AA advised that there had been a deficit last year, but there had been a surplus carried forward and Rugby had transferred their building control reserve credit across.
- 4.5.3 Building control services are expected to maintain a balanced budget over a rolling five-year period and the need for maintaining a cost-neutral position is understood by relevant staff in the service.

- 4.5.4 The current budget position and the outturn for the previous financial year were discussed with the HoC. Appropriate detail was provided as to the variances identified although two budget codes (consultants' fees and the budget shown for recharges to others) need to be reviewed due to current anticipated levels of income and expenditure.
- Risk**
Staff may be unaware of the current budget position of the service.
- Recommendation**
The figures included in the budget for consultants' fees and the recharges to others should be reviewed and amended accordingly.
- 4.5.5 Another requirement of the Building (Local Authority Charges) Regulations 2010 is that an annual financial statement should be produced. The Principal Accountant (Revenue) advised that the financial statement used to be included as a note to the statement of accounts. However, this was no longer required in the accounts, so he was unsure whether the statement was still being produced.
- 4.5.6 Upon discussion with the HoC it was identified that nobody was sure who should be producing this now and no annual statement had been produced.
- Risk**
The financial requirements of the Building (Local Authority Charges) Regulations 2010 may not be complied with.
- Recommendation**
An annual financial statement should be produced and published.
- 4.5.7 Fees are presented for approval by Council each year via the Executive as part of the general fees and charges report. As per the Executive report for the setting of the 2017 fees, the current main driver for building control fees is maintaining competitive charges to guard against work being lost to the private sector.
- 4.5.8 The fees for the year are published on the application forms and on a supplementary fees document, both of which are available on the council's website. Upon review of the fees included on the application form it was confirmed that all fees agreed to those approved by Council.
- 4.5.9 The supplementary charges are not, however, included in the committee report, so have not received formal approval. The Principal Accountant (Systems) advised that the charges should be included in the report and asked for a copy of the document to be forwarded to him so that he could place it in his working folder for the next report. As he has this in hand, Internal Audit consider that no formal recommendation is warranted.
- 4.5.10 As part of the sample testing mentioned above, testing was undertaken to establish whether fees were being appropriately charged, whether they were being received in a timely manner and whether they were being credited to the correct applications.

- 4.5.11 This testing proved generally satisfactory although in one case both the submission and inspection fees had been received after the completion certificate had been issued. However, as this was a one-off and new processes are now in place (see below), it is not felt that a recommendation is required.
- 4.5.12 When an application is input onto Acolaid the relevant fee is calculated using the system parameters. The fee parameter table from Acolaid was reviewed and compared to the agreed figures.
- 4.5.13 The fees for 'all other works' were split on the fee table between domestic and non-domestic alterations and it was noted that the value bands for non-domestic alterations differed from the domestic ones. As a result the fees for non-domestic alterations were incorrect for some fee bands. It was also noted that two of the regularisation figures had been input incorrectly.

Risk

Incorrect fees may be charged.

Recommendation

The fee parameter table in Acolaid should be updated to include the correct figures.

- 4.5.14 Where building works fall outside of the 'normal' fee bands, the service provides a bespoke quote to the applicant. In five of the sampled cases bespoke fees had been set. The level of detail retained to support the fees was different in each case and in some it was not clear how the figure had been arrived at.
- 4.5.15 However, steps had already been taken to address this issue with a template for setting out the bespoke fees having been sent to staff shortly after the commencement of the audit and prior to the completion of the relevant testing.
- 4.5.16 The Business Support Manager advised that she is in the process of working through the unpaid fees reports and, at the time of the audit, was working through the applications from 2015.
- 4.5.17 She highlighted that this is a job that gets undertaken as and when resourcing allows and highlighted that it is a fairly laborious process due to the previously identified issue where fees paid via TOTAL or BACS were not being picked up. Emails are now received from the Senior Finance Administration Officer when these payments are received, but the old cases still need to be reviewed.
- 4.5.18 She also advised that the new processes for applications will flag up any unpaid fees. Email alerts are generated when relevant inspections have been input onto the system and officers will email when they require decision notices and completion notices to be issued. These cases are checked to ensure that fees have been received before the certificates are issued. If fees have not been received, the emails are retained and are

flagged to show that the fee is outstanding.

4.5.19 Certain costs are recharged to the individual authorities under the partnership agreement. Recharge figures are calculated based on the timesheets compiled by every member of staff.

4.5.20 The figures are summarised onto recharge spreadsheets with the figures being split between the different authorities. Due to the number of different timesheets and the number of codes, the figures on the summary spreadsheets were not checked back to the timesheets. However, the recharge amounts calculated on the summary spreadsheets were found to have been appropriately used on the invoices to both Daventry and Rugby.

4.6 **Contingency Planning & Risk Management**

4.6.1 Whilst not set out specifically as a contingency plan, the shared services agreement covers various relevant aspects.

4.6.2 Section 22 covers withdrawals from the agreement by any of the parties and annex B covers the processes for changing the host authority. Section 24 also covers the process for termination of the agreement and this makes specific reference to ensuring 'a minimum of disruption to the delivery of building control services for each Council as reasonably practical'.

4.6.3 The departmental risk register includes a specific section for building control as well as sections for other services and generic risks. Upon review by Internal Audit, the building control risks are considered to be appropriate and contain appropriate details of the risk mitigation measures and controls.

4.6.4 The specific issue raised during the previous audit related to an outdated risk mitigation measure still being included. It was confirmed that this has been updated accordingly.

4.6.5 Recent updates were also noted on the register, such as the appointment of two new Assistant level officers. The risks included within the Business Plan largely agree with those in the departmental risk register, although the staff appointments are not included. As at 4.3.6 above, this should be reflected (if still relevant) when the business plan is next updated.

5 **Conclusions**

5.1 Following our review, in overall terms we are able to give a MODERATE degree of assurance that the systems and controls in place in respect of the Building Control are appropriate and are working effectively.

5.2 The assurance bands are shown overleaf:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.

	Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
	Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.
5.3	<p>However, a number of issues were identified:</p> <ul style="list-style-type: none"> • Procedural guidance still needs to be updated to reflect current processes. • Acolaid had not been correctly completed for a number of sample applications. • Issues were also noted upon review of the sampled applications relating to the retention of relevant documentation and the timeliness of processing certain applications. • There is currently no quality monitoring being undertaken on the processing of applications. • Some budgets did not accurately reflect known income and expenditure levels. • An annual financial statement has not been prepared. • The fee parameter table in Acolaid was incorrect for certain fees. 	
5.4	<p>During the discussions held relating to the agreement of the action plan, the Head of Consortium and Business Support Manager acknowledged that some of the issues raised were historic, with some pre-dating their employment. However, they acknowledged that the actions needed to be undertaken and welcomed the report.</p>	
6	Management Action	
6.1	<p>The recommendations arising above are reproduced in the Action Plan for management attention.</p>	

CURRENT IMPLEMENTATION POSITION FOR LOW AND MEDIUM RISK RECOMMENDATIONS
ISSUED IN QUARTER 1 2016/17

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Administration of Housing Benefit & Council Tax Reduction – 30 June 2016		
An agreement should be obtained from the relevant landlord stating that they will repay any relevant overpayments.	<i>Benefits & Fraud Manager:</i> Staff will be reminded of this at the next team meeting. PID: End of August 2016.	All decisions to pay the landlord direct have to be agreed by a senior assessment officer, and they check receipt of signed letter before agreeing to the request.
Staff should be reminded of the need to ensure that all information provided is accurately input onto the system.	<i>Benefits & Fraud Manager:</i> Staff will be reminded of this at the next team meeting. PID: End of August 2016.	Staff receive ongoing training, guidance and monthly meetings take place where issues of accuracy etc. are discussed and a % of work is accuracy checked. Unfortunately the Benefit system is very complex and from time to time errors will occur.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Business Applications: IDOX Planning, Building Control & Land Charges – 30 June 2016		
A core of no more than seven system administrators should be designated for the Acolaid system.	<p><i>Development Manager:</i> Agreed. The key issue here is reducing the number of administrators to an appropriate level without impacting on the most effective use of the system and as this is an on-going work in progress; it is therefore requested that the recommendation does not specify a specific number. PID: October 2016.</p>	It is considered that a total of 9 core system administrators are required across IT; Building Control and Development Management - actions to reduce that number from 22 to 9 are now at an advanced stage.
Appropriate training should be provided on the Acolaid security system for the designated administrators.	<p><i>Development Manager:</i> Agreed and in hand. PID: October 2016.</p>	This training has been provided and will be refreshed as necessary in the future.
A review of all current system access permissions should be commissioned and access levels restored to those appropriate to the roles of the respective users.	<p><i>Development Manager:</i> Agreed and part complete. PID: October 2016.</p>	This has been considered in detail. Appropriate actions have been undertaken and the position will be kept under review.
The security object assigning 'Create' permission at <Application> level should be removed from the BCOfficers group and the individual users identified (details supplied separately).	<p><i>Development Manager (to assign to authorised system administrator):</i> To be discussed with the Head of Consortium. PID: October 2016.</p>	Completed.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The security objects assigned individually to users in the BCOfficers group should be checked and those replicating the group security objects removed.	<i>Senior Building Control Officer (DT):</i> To be discussed with the Head of Consortium and Senior Building Control Officer. PID: October 2016.	<i>Head of Building Control Consortium:</i> Completed November 2016.
The feasibility of e-mail alerts to the system administrator on removal of leavers with Acolaid access from the corporate network should be explored.	<i>Development Manager (in consultation with Application Support Manager):</i> Agreed. In progress. PID: October 2016.	Completed.
An annual review of active Acolaid user accounts should be performed supported by a report showing last login dates.	<i>Development Manager (in consultation with Application Support Manager):</i> Agreed. In progress. PID: October 2016.	A procedure is now in place for this to be undertaken on an annual basis.
VAT Accounting – 21 June 2016		
A set of clear instructions should be compiled for the application of VAT free use of council facilities and issued to all relevant managers.	<i>Assistant Accountant:</i> The relevant VAT Guidance contains clear criteria on when VAT exemption can be applied to the letting of sports facilities. This will be used to provide clear guidance to managers. PID: July 2016.	Completed. Instructions issued to Cultural Services July 2016.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The monthly VAT return should be prepared and submitted by another member of staff at least annually.	<i>Head of Finance / Assistant Accountant:</i> Agreed. The Assistant Accountant responsible for checking the return has prepared it in the past but not on a regular basis. The frequency will be formalised going forward. PID: July 2016.	Arrangements now formalised to at least annually. July 2016 return was completed by another staff member.
The VAT Reference Manual should be reviewed and publicised with an Intranet notice.	<i>Assistant Accountant:</i> Agreed. PID: September 2016.	To be completed as soon as possible. Delayed due to priority of other work.
Staff should be encouraged to refer routine queries to the Assistant Accountant.	<i>Assistant Accountant:</i> Agreed. Staff will be made aware of this via the intranet when the VAT Manual is relaunched. PID: September 2016.	See above.

CURRENT IMPLEMENTATION POSITION FOR HIGH RISK RECOMMENDATIONS
ISSUED IN QUARTER 3 2016/17

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Collection of National Non-Domestic Rates – 9 November 2016		
Applications for exemption on listed building grounds should be verified for valid listed building status.	<i>Exchequer Services Manager:</i> Verification of Listed buildings has always been via a listing from a team within Development Services however it has since been established that Historic England are the oracle on listed buildings therefore we have started an exercise to cross reference the listed buildings we hold with Historic England. PID: March 2017.	This action has been completed.

 FINANCE & AUDIT SCRUTINY COMMITTEE 31 May 2017		Agenda Item No. 6
Title		Annual Governance Statement Action Plan 2016/17: Review of Progress
For further information about this report please contact		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
Wards of the District directly affected		All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		No
Date and meeting when issue was last considered and relevant minute number		7 March 2017
Background Papers	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Minutes of Senior Management Team	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	10 May 2017	Chris Elliott / Andrew Jones
SMT	10 May 2017	Senior Management Team
Monitoring Officer	10 May 2017	Andrew Jones
Section 151 Officer	10 May 2017	Mike Snow
Human Resources		
Finance	10 May 2017	As S151 Officer
Portfolio Holder(s)	10 May 2017	Councillors Mobbs and Whiting

Consultation & Community Engagement	
Senior Management Team review of Annual Governance Statement Action Plan	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1 Summary

- 1.1 The purpose of this report is for Committee to review the progress that is being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2015/16. The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

2 Recommendations

- 2.1 That Committee should review the Action Plan set out in the Appendix and confirm whether it is satisfied with the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2015/16.

3 Reasons for the Recommendations

- 3.1 To help fulfil Members' responsibility for effective corporate governance within the Council.
- 3.2 To provide assurance to Members that governance issues identified as part of the compilation of the Annual Governance Statement are being addressed.

4 Policy Framework

- 4.1 The Annual Governance Statement describes governance arrangements relating to the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of governance in an organisation; governance issues needs to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.
- 4.2 The arrangements will assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

5 Budgetary Framework

- 5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 Risks

- 6.1 Risk management is an intrinsic element of corporate governance. There are various risks associated with the Significant Governance Issues and these not being addressed satisfactorily.

7 Alternative Options Considered

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 **Corporate Governance in Local Authorities**

- 8.1 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities." CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

- 8.2 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- a clear definition of the body's purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
- members and officers are working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of members and officers to be effective;
- engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these six themes.

9 **Annual Governance Statement**

- 9.1 The production of an Annual Governance Statement is a statutory requirement for local authorities (Regulation 6 of The Accounts and Audit (England) Regulations 2015).
- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.

9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it accurately reflects the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:

- Members of the Council
- Deputy Chief Executives and Service Area Managers
- the Responsible Financial Officer
- the Monitoring Officer
- the Audit and Risk Manager
- performance and risk management systems
- third parties, e.g. partnerships
- external audit and other review agencies.

10 **The Significant Governance Issues**


- 10.1 The governance issues facing the Council have been identified from production of the statutory Annual Governance Statement.
- 10.2 The Significant Governance Issues are summarised in the Action Plan element of the Annual Governance Statement for 2015/16.
- 10.3 The Annual Governance Statement (and therefore the Action Plan setting out the Significant Governance Issues) has been approved by Full Council.
- 10.4 The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.
- 10.5 The progress in addressing these governance issues is reported by the officers who are leading on them and have been endorsed by the Senior Management Team at a recent meeting.

Annual Governance Statement 2015/16: Action Plan for Significant Governance Issues

Review of Progress to end of March 2017

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end March 2017
5.1-1	The call-in process to be examined in respect of Executive and Council decisions.	Civic & Committee Services Manager (DMO) (Overseen by Deputy Chief Executive (AJ))	A draft revised call-in procedure has been produced and is included on the agenda for the Overview & Scrutiny Committee in February 2017. Subject to their comments it will be considered by Executive on Executive 8 March 2017 and Council on 20 April 2017.	The revised procedure was approved by Executive and will be considered by Council on 12 April 2017. (The Council meeting has moved.)

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing SGI	
			Position as at previous quarter	Position as at end March 2017
5.1-2	Service Area Crisis Plans to be updated and kept under regular review.	Service Area Managers / Interim Environmental Sustainability Team Leader (Overseen by CMT)	<p>All plan owners have been contacted and encouraged to review and update plans.</p> <p>The Neighbourhood Services plan was subject to testing via a table top exercise for the departmental management team in December 2016.</p>	<p>The current status of all Service Area Crisis Plans at 28/03/2017 is as follows:</p> <ul style="list-style-type: none"> • Neighbourhood Services – updated March 2017 • Finance – updated March 2017. • Health and Community Protection – updated August 2016 • Development Services –updated March 2017. • Culture Services – updated March 2017. • Housing & Property Services – plan owner contacted and encouraged to review and update. • CEX Office (HR) – updated March 2017 • CEX Office (Democratic Services) – updated February 2017 • CEX Office (ICT Services) – completed August 2016

 Finance & Audit Scrutiny Committee 1 June 2016		Agenda Item No. 7
Title		Annual Governance Statement 2016/17
For further information about this report please contact		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
Service Area		Finance
Wards of the District directly affected		Not applicable
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006		No
Date and meeting when issue was last considered and relevant minute number		Finance & Audit Scrutiny Committee – 10 June 2015
Background Papers	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network)	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	12 April 2017	Chris Elliott
Senior Management Team	12 April 2017	
Section 151 Officer	12 April 2017	Mike Snow
Monitoring Officer	12 April 2017	Andrew Jones
Finance	12 April 2017	As Section 151 Officer
Leader of the Council	10 May 2017	Councillor Mobbs
Portfolio Holder	10 May 2017	Councillor Whiting
Consultation and Community Engagement		
With members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 Summary

- 1.1 This report sets out an Annual Governance Statement for 2016/17 describing the governance arrangements that were in place during the financial year. The Statement will be signed by the Chief Executive and the Leader of the Council and will accompany the Council's Statement of Accounts that is approved by Full Council.
- 1.2 An action plan to improve governance forms part of the Statement. The actions will be addressed by management in line with an agreed timetable. Progress in achieving these actions will be reported to Members quarterly.

2 Recommendations

- 2.1 That Committee approves the Annual Governance Statement for 2016/17 for Warwick District Council as set out at Appendix A.

3 Reason for the Recommendations

- 3.1 Regulation 6 of the Accounts and Audit (England) Regulations 2015 requires that "A relevant authority must, each financial year...prepare (and approve) an annual governance statement."

4 Alternative Option Considered

- 4.1 The alternative option is not to provide an Annual Governance Statement for 2016/17 which would result in the Council being in breach of its statutory obligations.

5 Budgetary Framework

- 5.1 There are no direct budgetary implications from the production of the Annual Governance Statement.

6 Policy Framework

- 6.1 The proposals will assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

7 Risks

- 7.1 Risk management is an intrinsic element of corporate governance. There are numerous risks associated with undertaking, or not undertaking, the Significant Governance Issues set out in section 5 of the Annual Governance Statement.

8 Background to the Annual Governance Statement

- 8.1 The production of an Annual Governance Statement is a statutory requirement for local authorities.
- 8.2 Regulation 6 of The Accounts and Audit (England) Regulations 2015 states (extract overleaf):

Review of internal control system

- 6.—**(1) A relevant authority must, each financial year—
- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) prepare an annual governance statement;
- (2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—
- (a) consider the findings of the review required by paragraph (1)(a)—
 - (i) by a committee; or
 - (ii) by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—
 - (i) a committee; or
 - (ii) members of the authority meeting as a whole.
- (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must—
- (a) consider the findings of the review by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.
- (4) The annual governance statement, referred to in paragraph (1)(b) must be—
- (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
 - (b) prepared in accordance with proper practices in relation to accounts(a).

- 8.3 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities." CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

9 Process for Completion of the Annual Governance Statement

- 9.1 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- a clear definition of the body's purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
- members and officers are working together to achieve a common purpose with clearly defined functions and roles;

promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 developing the capacity and capability of members and officers to be effective; and
 engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these six themes.

- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.
- 9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it reflects accurately the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:
- Deputy Chief Executives and Service Area Managers
 - the Responsible Financial Officer
 - the Monitoring Officer
 - Members
 - the Audit and Risk Manager
 - performance and risk management systems
 - third parties, e.g. partnerships
 - external audit and other review agencies.
- 9.4 'The Annual Governance Statement – Rough Guide for Practitioners' by CIPFA sets out the following stages in producing the Annual Governance Statement:

Objective 1, ESTABLISHING PRINCIPAL STATUTORY OBLIGATIONS AND ORGANISATIONAL OBJECTIVES

Step 1: Mechanisms established to identify principal statutory obligations

Step 2: Mechanisms in place to establish organisational objectives

Step 3: Effective Corporate Governance arrangements are embedded within the authority

Step 4: Performance management arrangements are in place

THEN apply the Six CIPFA/SOLACE Core Principles

(i) Focusing on purpose/outcomes and creating a vision for the local area

(ii) Members & officers working together to achieve common purpose with clearly defined functions & roles

(iii) Promoting values for the authority and demonstrating values of good governance through upholding high standards of conduct and behaviour

(iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

(v) Developing the capacity and capability of members and officers to be effective

(vi) Engaging with local people and other stakeholders to ensure robust public accountability

Objective 2, IDENTIFY PRINCIPAL RISKS TO ACHIEVEMENT OF OBJECTIVES

Step 1: The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Objective 3, IDENTIFY AND EVALUATE KEY CONTROLS TO MANAGE PRINCIPAL RISKS

Step 1 - The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Objective 4, OBTAIN ASSURANCES ON THE EFFECTIVENESS OF KEY CONTROLS

Step 1: Appropriate assurance statements are received from designated internal and external assurance providers

Objective 5, EVALUATE ASSURANCES AND IDENTIFY GAPS IN CONTROL/ASSURANCES

Step 1: Make adequate arrangements to identify, review and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls

Objective 6, ACTION PLAN TO ADDRESS WEAKNESSES AND ENSURE CONTINUOUS IMPROVEMENT OF THE SYSTEM OF CORPORATE GOVERNANCE

Step 1: Robust mechanism to ensure that an appropriate action plan is agreed to address the identified control weaknesses and is implemented and monitored

Objective 7, ANNUAL GOVERNANCE STATEMENT

Step 1: Governance statement is drafted in accordance with regulations and timescales

Objective 8, REPORT TO CABINET / EXECUTIVE COMMITTEE

Step 1: Report in accordance with pro-forma

9.5 The Council's Annual Governance Statement has been produced in accordance with these stages.

9.6 Evidence sources collated for drafting the AGS were as follows:

- (a) Consultation with senior and key officers.
- (b) Assurances provided by Service Area Managers through the completion of Service Assurance Statements.
- (c) Consultation with a cross-party member review group comprising the Leader of the Council and the Committee Chairs.
- (d) Work undertaken during the year by Internal Audit and other inspection bodies.
- (e) Consultation with the council's External Auditors.
- (f) Review of progress against the previous year's AGS action plan, which was reported quarterly to the Finance & Audit Scrutiny Committee.

- 9.7 The process for drafting the AGS itself, and the systems of challenge and review were as follows (overleaf):
- (a) The information described above was collated and an early draft Statement was circulated to key officers for comment and for suggestions on issues to be reflected in the AGS and the Action Plan.
 - (b) The draft Statement was issued to the council's Senior Management Team and discussed at a meeting, with suggestions on issues to be included in the Action Plan.
 - (c) A cross party member review group considered and provided comment on the final draft AGS and Action Plan and made suggestions on issues to be included in the Action Plan.
 - (d) The draft AGS issued to the Council's External Auditors for their views.
 - (e) Presentation to the Finance & Audit Scrutiny Committee for approval.

WARWICK DISTRICT COUNCIL**ANNUAL GOVERNANCE STATEMENT 2016/17****1 INTRODUCTION**

- 1.1 The Accounts and Audit Regulations 2015 require the Council to prepare an annual governance statement.
- 1.2 Governance is about how an organisation is directed and controlled in order to achieve its objectives. It therefore comprises the systems, structures and values that an organisation has in place to achieve those objectives. Good governance requires that objectives be achieved not only efficiently and effectively but also ethically and in compliance with laws and recognised standards of conduct.
- 1.3 Good governance comprises robust systems and sound structures together with more esoteric characteristics such as effective leadership and high standards of behaviour. In short, governance is "Doing the right things, in the right way."

2 THE PURPOSE OF THE ANNUAL GOVERNANCE STATEMENT

- 2.1 This Statement provides a summarised account of how our management arrangements are set up to meet the principles of good governance set out in our Constitution and how we obtain assurance that these are both effective and appropriate. It is written to provide the reader with a clear, simple assessment of how the governance framework has operated over the past financial year and to identify any improvements made and any weaknesses or gaps in our arrangements that need to be addressed.

3 THE COUNCIL'S GOVERNANCE FRAMEWORK

- 3.1 Warwick District Council must operate in accordance with the law and appropriate standards and ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 3.2 Warwick District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised
- 3.3 In discharging these responsibilities Warwick District Council is responsible for putting in place suitable governance arrangements, including provisions for the management of risk.
- 3.4 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

- 3.5 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore provide only reasonable and not absolute assurance of effectiveness.
- 3.6 Warwick District Council has approved and adopted a code of corporate governance that is consistent with the principles of the CIPFA/SOLACE¹ Framework for Delivering Good Governance in Local Government.
- 3.7 The Council's Corporate Strategy is the Sustainable Community Strategy which draws together a shared vision, setting out the Council's objectives and priorities for the District and how these are to be achieved.
- 3.8 It is complemented by the Fit For the Future change programme and together these represent the key planning documents for the Council.
- 3.9 Delivery of the Council's change programme is through the Service Area Plans in which the corporate objectives are translated into more specific aims and objectives. These are then fed down into individual performance development reviews through the council's performance appraisal system. These all include agreed expectations and, where appropriate, service standards against which service quality and improvement can be judged. Performance is monitored by individual services.
- 3.10 Warwick District Council has adopted a Constitution that establishes the roles and responsibilities for members of the Executive, Finance & Audit Scrutiny Committee, Overview & Scrutiny Committee and Standard Committees, together with officer functions. It includes details of delegation arrangements, the Members' Codes of Conduct and protocols for member/officer relations. The Constitution is kept under review to ensure that it continues to be fit for purpose. The Council has adopted a Standards regime pursuant to the Localism Act 2011 and appointed a Standards Committee from 1 July 2012. Conduct of officers is governed through the Employee Code of Conduct and through the values and behaviours which are part of the Council's individual performance appraisal system.
- 3.11 The Constitution contains procedure rules and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by post-holders' membership (whether permanent or 'as required') of the Corporate Management Team.
- 3.12 In 2010 CIPFA published a statement on the Role of the Chief Financial Officer (CFO) in local government, setting out core principles and standards relating to the role of the CFO and how it fits into the organisation's governance arrangements.

¹ Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives

- 3.13 A specific statement is required to be reported in the Annual Governance Statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement.
- 3.14 The governance requirements in the Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the authority's Annual Governance Report, together with how these deliver the same impact.
- 3.15 The Head of Finance has confirmed that the Council's financial management arrangements conform to the CIPFA Statement other than in three specific aspects:
- Head of Finance reporting directly to Chief Executive.
 - Head of Finance being a member of Leadership Team.
 - Head of Finance having responsibility for Asset Management.
- 3.16 The Council's view is that the way it operates – the Head of Finance's regular attendance at Corporate Management Team/Executive meetings, budget planning meetings, and numerous ad-hoc meetings – enables the officer to have unhindered access to the most senior officer as well as senior members. The Head of Finance reports to the Deputy Chief Executive/Monitoring Officer. This approach has subsisted for several years without any apparent problems; consequently, the Council considers that the risk of there being any detriment to the authority is low.
- 3.17 With regard to asset management, responsibility for this comes under the Head of Housing & Property Services as that is where the expertise and the operational work lies. (Housing and Property functions are to be separated from 2017/18.)
- 3.18 The Council will continue to keep all reporting and responsibility arrangements under review and will discuss any perceived shortcomings with the Council's external auditors if and when they arise.
- 3.19 The primary counterbalances to the Executive are the Finance & Audit Scrutiny and the Overview & Scrutiny Committees. The role of these committees is to provide a robust challenge to the Executive.
- 3.20 The Finance & Audit Scrutiny Committee monitors the performance of the Council, fulfilling the Council's audit committee core functions in respect of External Audit, Internal Audit and Risk Management. The Committee can, and does, request assurance from the relevant Executive member (Portfolio Holder) and/or senior manager when it has concerns or queries, or simply requires assurance, in respect of a matter relating to a particular service area.
- 3.21 The Council has a formal complaints procedure which allows the public or other stakeholders to make a complaint regarding the service received from the Council or on the conduct of Members. The Standards Committee has responsibility for overseeing the investigation of complaints against Members.

- 3.22 The Council has policies to safeguard both itself and its staff when making decisions. An Anti-Fraud and Corruption Strategy and Policies, including the Council's Fraud Response Plan, Whistleblowing, Money Laundering and Bribery Act 2010 Policies have been developed and communicated to all staff via the intranet and as part of the Staff Induction process. The Anti-Fraud and Corruption Strategy and the Whistleblowing Policy are reviewed by Members annually.
- 3.23 The Council has embedded Risk Management throughout its activities with the Significant Business Risk Register (in effect, the Council's corporate and strategic risk register) being reviewed and updated each quarter, firstly by the Senior Management Team and then by the Finance & Audit Scrutiny Committee before finally reaching the Executive.
- 3.24 Council services are delivered by trained and experienced officers. Job Descriptions and Person Specifications are in place for all posts and together with a rigorous recruitment and selection process this helps to ensure that the best candidates are appointed into each position. A significant commitment has also been made towards retaining good staff, by offering numerous 'work friendly' schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost. Training needs are identified through the performance appraisal system.
- 3.25 The individual performance appraisal system has been operated in the council for a number of years, having been reviewed and subsequently refined on several occasions. Staff are measured against operational objectives that are linked through to the Corporate Strategy and Fit For the Future via service objectives. The performance appraisal system also identifies developmental and training needs to ensure that appropriate training is made available to staff to ensure that individuals are able to undertake their present role effectively and that they have the opportunity to develop to meet their and the Council's needs.
- 3.26 In May 2015 Warwick District Council elected a new Council. The Council put in place a Member induction programme, with training sessions around the internal operation of the council and information about the council's services. All Members received Code of Conduct and IT training. The Planning and Licencing Committees held induction training for their members. The Planning Committee holds regular workshops and Full Council workshops have been arranged for all Members, when required.
- 3.27 The Council continues to ensure it is open and accessible to the community. In 2016/17 it has:
- Published further information on the transparency section of the website to meet new guidelines.
 - Enhanced its consultation activity concerning budget setting. For example, a meeting was held with local business representatives to discuss the Council's budget proposals, along with other matters of mutual interest (primarily business rates revaluation).

- 3.28 All Committee meetings are open to the public except where personal or confidential matters are discussed. All agendas and minutes are placed on-line, along with the Council's policies and strategies. These items are also available by directly contacting the Council. When identifying the priorities and objectives for the Strategic Plan the views of stakeholders and the wider community are sought through a number of consultation mechanisms, and are taken into account. The Strategic Plan is made available to all via the Council's website.
- 3.29 During 2016/17 the Council's Scrutiny Committees looked at various areas of Council decision-making and service delivery, including the introduction of charges for waste containers as well as action on letting boards. In addition, 'Task and Finish' groups were set up to review Houses in Multiple Occupation (HIMOs) and Car Parking Charges.
- 3.30 There are terms of reference and constitutions set up for key partnerships which ensure that all members of the partnership act lawfully throughout the decision-making process. Key partnerships include the Coventry and Warwickshire Local Enterprise Partnership and South Warwickshire Crime and Disorder Partnership. We also work closely with several other councils and operate shared services for Building Control, Business Rates, Corporate Fraud and Legal Services.

4 REVIEW OF EFFECTIVENESS

- 4.1 Warwick District Council is required under legislation to conduct an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's annual report, and also by the findings and reports issued by the external auditors and other review agencies and inspectorates.
- 4.2 More information on the arrangements that provide this assurance is set out below.
- 4.3 The Council's Monitoring Officer (a Deputy Chief Executive) has responsibility for overseeing the implementation and monitoring the operation of the Code of Corporate Governance, maintaining and updating the Code in the light of latest guidance on best practice, considering any changes that may be necessary to maintain it and ensure its effectiveness in practice. All reports to Executive, Committees and Council are seen by the Monitoring Officer to ensure compliance with legal requirements.
- 4.4 The Council's Section 151 Officer has responsibility for the proper administration of the Council's financial affairs. This includes responsibility for maintaining and reviewing the Code of Financial Practice to ensure they remain fit for purpose, and submitting any additions or changes necessary to the full Council for approval. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of the Code of Financial Practice to the Executive and/or the Council. All reports to Executive, Committees and Council are seen by the Section 151 Officer to ensure compliance with financial requirements.

- 4.5 The Council's Internal Audit Service is required to provide annually an independent and objective opinion to the Authority on its risk management, governance and control environment. In regard to this, the Audit and Risk Manager's Annual Report and Opinion for 2016/17 concluded that, in overall terms, the areas audited were adequately managed and controlled.
- 4.6 In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included the collation of assurances from all heads of services on the effectiveness of the internal control environment. A review of the service assurance statements, as they are called, concluded that, based on this self-assessment, effective controls were in place.
- 4.7 The work of the Council's Internal Audit function is governed by the UK Public Sector Internal Audit Standards (PSIAS). The PSIAS are mandatory for all internal auditors working in the UK public sector. An internal assessment of the performance of Internal Audit and its conformance with the PSIAS has been undertaken and the findings of this review have been reported to Members for their consideration as part of the Audit and Risk Manager's Annual Report and Opinion. An essential element of this assessment is to ensure that the annual audit opinion issued by Internal Audit may be relied upon as a key source of evidence and assurance.
- 4.8 Grant Thornton was appointed as the Council's External Auditor from 1 September 2012 and is responsible for reviewing the Council's Statements of Accounts. In addition to reviewing the 2016/17 Statement of Accounts, Grant Thornton issued a formal opinion on the Council's arrangements for securing Value for Money, concluding that the Council had made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 4.9 The Council is required to appoint new auditors prior to the 2018/19 financial year, for which the Council has agreed to opt in to the Public Sector Audit Appointments arrangements. This means that rather than run the procurement exercise itself, which would be extremely time-consuming and therefore costly, it is utilising the resources and expertise of a body specially set up to assist local authorities appoint their external auditors.

5 GOVERNANCE ISSUES

- 5.1 The following governance issues have been identified:
1. The need to ensure that lessons are learned corporately from the Electrical Maintenance Contract Procurement.
 2. The requirement to update the Council's Local Code of Corporate Governance in the light of recently-revised CIPFA/SOLACE guidance.

6 CERTIFICATION


- 6.1 The governance framework has been in place at Warwick District Council for the year ended 31 March 2017 and up to the date of approval of the annual statement of accounts.
- 6.2 Action will be taken to address the governance matters that have been identified.

Signed:

Andrew Mobbs
Leader of the Council

Chris Elliott
Chief Executive

Dated:

 Finance & Audit Scrutiny Committee 31 May 2017		Agenda Item No. 8
Title		Internal Audit Annual Report 2016/17
For further information about this report please contact		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
Service Area		Finance
Wards of the District directly affected		Not applicable
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006		No
Date and meeting when issue was last considered and relevant minute number		Finance & Audit Scrutiny Committee – 1 June 2016
Background Papers	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Internal Audit Reports Public Sector Internal Audit Standards Quarterly Progress Reports Post-audit client questionnaires and satisfaction surveys	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	10 May 2017	Chris Elliott
Section 151 Officer	10 May 2017	Mike Snow
Monitoring Officer	10 May 2017	Andrew Jones
Finance	10 May 2017	As Section 151 Officer
Leader of the Council	10 May 2017	Councillor Mobbs
Portfolio Holder	10 May 2017	Councillor Whiting
Consultation and Community Engagement		

Consultation with members and officers listed above.	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1 **Summary**

- 1.1 Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2016/17 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

2 **Recommendation**

- 2.1 That this Committee considers the Annual Report of Internal Audit for the year ended 31 March 2017 as part of its consideration and approval of the Annual Governance Statement 2016/17.

3 **Reason for the Recommendations**

- 3.1 The Public Sector Internal Audit Standards require that "The 'chief audit executive' must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement."

4 **Policy Framework**

- 4.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Policy Framework, Community Plan and the Council's policies.

5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 **Risks**

- 6.1 Risk management is an intrinsic element of corporate governance of which this report is concerned.

7 **Alternative Option(s) Considered**

- 7.1 This report does not involve recommending a particular option in preference to others so this section is not applicable.

8 **Background to the Annual Governance Statement & Requirement for Internal Audit Annual Report**

- 8.1 The Public Sector Internal Audit Standards state:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

8.4 The Annual Report is set out as Appendix 1.

Head of Internal Audit's Annual Report and Presentation of
Audit Opinion 2016/17

Introduction

This report is produced to satisfy the Public Sector Internal Audit Standards which requires that:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

Opinion on the overall adequacy and effectiveness of the Council's control environment

The Public Sector Internal Audit Standards state that "*The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory.*"

Based on internal audit assignments undertaken as part of the Audit Plan, it must be concluded that the Council has an adequate and effective governance, risk management and control framework to address relevant risks with controls being consistently applied.

Inevitably, there were some instances of non-compliance that were identified by Internal Audit, as detailed in reports that were issued during the year. These were reported to Finance & Audit Scrutiny Committee and, in the case of the overall level of assurance for an audit assignment being assessed at less than 'substantial', the full report was issued to Committee as part of the agenda papers. Action to address these issues has been confirmed by management in all cases, with urgent action being taken where those issues were regarded as major.

There are no qualifications to that opinion, although clearly it can only be based on the audits undertaken during that year; it has to be acknowledged that not everything is subject to an audit within a 12-month time frame. The Council's external auditors form their own opinion based on their own work and the Annual Governance Statement provides an overall judgement on the control environment, derived from many sources, one of which is this Internal Audit Annual Report.

The Public Sector Internal Audit Standards states that "*Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board.*"

The Audit and Risk Manager can confirm that he does not believe that the level of agreed resources has impacted adversely on the provision of the annual internal audit opinion.

Summary of the internal work undertaken during 2016/17 from which the opinion on the internal control environment is derived

The audits which form the basis of the opinion are set out as table in Appendix 1A. The results of these audits have been communicated to the Finance and Audit Scrutiny Committee in quarterly reports and are therefore not reproduced here. Each audit report, however, gives an overall opinion on the level of assurance provided by the controls within the area audited and this is set out in the table. The bands of assurance are set out at the bottom of Appendix 1A.

Appendix 1A indicates that internal controls were in the main found to be operating satisfactorily, giving an overall confidence in the internal control system operating in relation to these systems. Although a number of reports were issued during the year where less than substantial assurance on the reliability of internal controls could be given, it is important to stress that the issues raised in respect of these audits have since been addressed.

It should be noted that this list comprises planned audits only – it does not include investigations that arose during the year.

Issues particularly relevant to the Annual Governance Statement

Issues particularly relevant to the Annual Governance Statement (AGS) have been identified from the process involved in its production. This includes compilation of the Service Assurance Assessments by services and the review of the draft AGS by the Senior Management Team and by the Leader of the Council and the chairs of the Scrutiny and Standards Committees. Some of these issues had been highlighted by Internal Audit during the year.

Comparison of the work undertaken with the work that was planned and summary of the performance of the internal audit function against its performance measures and targets

This is set out as Appendix 1B.

Compliance with the Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards state that:

"Chief audit executives are expected to report conformance on the PSIAS in their annual report."

"To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance."

A review by the Chartered Institute of Public Finance and Accountancy (CIPFA), undertaken at the start of the year, highlighted non-compliance with some

elements of the Public Sector Internal Audit Standards (PSIAS). An action plan was produced to address those areas of non-compliance and this was reported to Finance & Audit Scrutiny Committee on 1 June 2016, together with the full results of the review. The latest position in respect of the action plan is set out as Appendix 1D.

Separately, the Public Sector Internal Audit Standards requires that *"The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity."*

The Audit & Risk Manager is able to confirm that Internal Audit is organisationally independent.

Communication of the results of the internal audit quality assurance & improvement programme

The Public Sector Internal Audit Standards states that "The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report."

The Internal Audit quality assurance programme includes reviews of audit files by the Audit and Risk Manager before issue of final reports and external audit reviews of Internal Audit's work. It also includes monitoring by the Section 151 Officer and ongoing scrutiny of its work by Finance & Audit Scrutiny Committee.

The Internal Audit quality assurance programme also comprises completion by auditees, post audit, of questionnaires for audits. Appendix 1C sets out the questionnaire that is used.

The results of the Internal Audit quality assurance programme are used to improve the service provided by Internal Audit.

In terms of the post audit questionnaires the modal score from auditees for the year was 5 (the highest score) indicating very broad satisfaction with the audits undertaken. No assignments were assessed at less than 3.

An improvement plan was produced to address the areas of non-compliance highlighted in the review of the Internal Audit Service undertaken by CIPFA.

Summary of Internal Audit Work Undertaken 2016/17¹

Assignment	Client Service Area	Level of Assurance
Human Resources Management	Chief Executive's Office	Substantial
Corporate Property & Portfolio Management	Housing & Property Services	Substantial
Planning Policy	Development Services	Substantial
Corporate Procurement	Finance	Substantial
Medium Term Financial Strategy	Finance	Substantial
Financial Planning and Budgetary Control	Finance	Substantial
Collection of Council Tax	Finance	Substantial
Collection of National Non-Domestic Rates	Finance	Substantial
Administration of Housing Benefit & Council Tax Reduction	Finance	Substantial
Main Accounting System	Finance	Substantial
Treasury Management	Finance	Substantial
Housing Repairs and Maintenance	Housing & Property Services	Substantial
ICT Business Continuity / Disaster Recovery	ICT	Substantial
ICT Change Management and Testing	ICT	Substantial
Business Applications – MIS Housing and Corporate Property	Housing & Property Services	Substantial
Business Applications – TOTAL Financial Management	Finance	Substantial
Business Applications – IDOX Planning, Building Control & Land Charges	Development Services	Substantial
Patching and Firewall Updates	ICT	Substantial
Equality and Diversity	Chief Executive's Office	Substantial
Corporate Health and Safety	Health & Community Protection	Substantial
Safeguarding Vulnerable Adults	Chief Executive's Office	Substantial
Recruitment and Selection, Terms and Conditions	Chief Executive's Office	Substantial
Golf Course	Cultural Services	Substantial
Catering Concessions	Cultural Services	Substantial

¹ Planned and additional audits only.

Assignment	Client Service Area	Level of Assurance
Building Control	Development Services	Moderate
Conservation and Design	Development Services	Substantial
VAT Accounting	Finance	Substantial
Food Safety	Health & Community Protection	Substantial
Crime and Disorder	Health & Community Protection	Substantial
Affordable Housing Development Programme	Housing & Property Services	Substantial
Lettings and Void Control	Housing & Property Services	Substantial
Right to Buy	Housing & Property Services	Substantial
Asbestos Management	Housing & Property Services	Moderate
Open Spaces	Neighbourhood Services	Substantial
Bereavement Services	Neighbourhood Services	Substantial
Grounds Maintenance	Neighbourhood Services	Substantial

Key to Level of Assurance:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with many of the controls that do exist.

Overall Summary of Performance 2016/17

Performance Indicator	In-house Team	External Contractors	Overall for Service
Number of planned audits assigned	28	9	37
Number of planned audits completed	28	9	37
% assigned audits completed	100.0%	100.0%	100.0%
Number of audits completed within time allocation	12	N/A	12
% audits completed within time allocation	42.9	N/A	42.9
Number of days overspent (-) / underspent (+) on completed audits to date	-1.2	N/A	-1.2
% of days overspent (-) / underspent (+) on completed audits to date	-0.4%	N/A	-0.4%
Number of audit days – planned	267.0	N/A	267.0
Number of audit days – actual	269.5	N/A	269.5
Productive time as % of available time – target	76.2%	N/A	76.2%
Productive time as % of available time – actual	72.7%	N/A	72.7%
Number of audit recommendations issued	71	20	91
Number of audit recommendations agreed	66	18	84
% audit recommendations agreed	93.0	90.0	92.3
Number of High Priority audit recommendations issued	1	0	1
Number of High Priority audit recommendations implemented	1	0	1
% High Priority audit recommendations implemented	100	N/A	100

Post Audit Questionnaire

Audit:

Date of report:

Auditor:

Manager:

In order to help us improve our service we would be grateful if you would spend a few moments answering the questions below.

Question	Yes	No	Comments (if applicable)
Pre-audit consultation			
Were you given adequate notification of the audit?			
Were the scope and objectives of the audit discussed with you?			
Was the audit process explained to you adequately?			
The audit			
Was the audit work undertaken at an agreed and convenient time?			
Was the audit conducted in a proficient manner?			
Were the appropriate staff interviewed for the audit areas covered?			
Were interviews conducted in a professional manner?			
Were the findings discussed with the right staff?			
Was the audit completed within a reasonable timescale?			
Audit reporting			
Was the draft report produced within a reasonable timescale?			
Were you given the opportunity to			

Question	Yes	No	Comments (if applicable)
discuss the report with the auditor?			
If so, did you find the discussion useful?			
Was the discussion conducted in a professional manner?			
Were your views and comments presented adequately in the final report?			
Were the recommendations in the report practical and realistic?			
Was the report produced to a professional standard?			
Did the audit reveal any unknown weakness in the system?			
Do you feel that the audit was worthwhile and has added value to your work?			

On a scale of 1 to 5, 1 being "very dissatisfied" and 5 representing "very satisfied", please score your level of satisfaction with the audit in overall terms:

If you have any other comments that you wish to make about the audit please record them below:

Manager: _____

Date: _____

Please return the form to Richard Barr, Audit and Risk Manager, Finance.

Action Plan to Address Areas of Non-compliance with Public Sector Internal Audit Standards

Table extracted directly from report

No	Recommendation	Response	Action date	Current Position
R1	Include a definition of both assurance and consulting activity in the Charter	Agreed. Charter will be updated.	May 2016.	Completed.
R2	Define 'senior management' in the Charter	Agreed. Charter will be updated.	May 2016.	Completed.
R3	Include a declaration of independence of the internal audit activity in the annual report	Agreed. Annual report will include declaration.	June 2016.	Completed.
R4	Maintain annual (at least) declarations of interests, including nil returns, for all audit staff	Agreed. Declaration of interests will be maintained.	Immediate and ongoing.	Being undertaken.
R5	Expand the terms of reference to include fraud, error, value for money, strategic organisational objectives*	Agreed. Terms of reference will be expanded	May 2016.	Completed.
R6	Ensure that all members of the audit team are kept up to date on emerging audit issues	Agreed. Team will receive necessary training.	Ongoing.	Being undertaken.
R7	Remove the reference to compliance with PSIAS until the recommendations from this review have been implemented	Agreed. Compliance reference will be removed.	May 2016.	Recommendation no longer applicable as now fully-compliant with PSIAS.
R8	Put in place arrangements to highlight internal audit plans and activity to SMT	Agreed. Quarterly activity reports will be presented to SMT.	June 2016 and ongoing.	Being undertaken.
R9	Include higher-level ethics work in the audit universe and plan	Agreed. Audit Plan will be updated.	From 2017/18.	Being undertaken.
R10	Formalise the approach to producing briefs and discussing the scope of the audit with auditees so that the discussion comes first.	Agreed. Revised protocol will be adopted and Audit Manual updated accordingly.	From 2016/17.	Being undertaken.
R11	Copy in senior management when sending out briefs.	Agreed. Revised protocol will be adopted and Audit Manual updated accordingly.	From 2016/17.	Being undertaken.

No	Recommendation	Response	Action date	Current Position
R12	Resolve the matter about what personal data can and cannot be retained and note in the manual	Agreed. Staff will be reminded and the Internal Audit Manual will be updated.	May 2016.	Completed.
R13	Formalise supervision, perhaps through a review sheet to show points raised and cleared or no points arising which is retained on file	Agreed. Review sheet will be introduced to evidence reviews.	May 2016.	Being undertaken.
R14	Take a more rigorous approach to audit follow ups, obtaining evidence for high priority recommendations as a minimum	Agreed. Evidence of implementation will be obtained for high priority recommendations.	June 2016.	Being undertaken.
R15	Include the Nolan principles in the audit manual section on ethics	Agreed. Ethics section in Manual will be updated.	May 2016.	Completed.

* Potential additions to a revised terms of reference include:

- Objectives of the area being reviewed
- Links to the council's strategic objectives
- Risk of fraud, error and non-compliance
- Potential for the audit to add value, including in relation to value for money
- Any governance or ethics considerations

 Finance & Audit Scrutiny Committee 31 May 2017		Agenda Item No. <div style="font-size: 2em; text-align: center;">9</div>
Title	Comments from the Executive	
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Service Area	Civic & Committee Services	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	Executive – 08.02.2017	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

Consultation Undertaken	
n/a	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. Summary

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 5 April 2017.

2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

3. Reasons for the Recommendation

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

4. Alternative Options Considered

- 4.1 The Committee receives and notes the minutes of the Executive instead.

5. Budgetary Framework

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

6. Policy Framework

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

7. Background

- 7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.
- 7.3 As a result, at its meeting on 4 April 2017, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

Responses from the meeting of the Executive held on 8 March 2017 to the Finance and Audit Scrutiny Committee's comments

Item no	4	Title	Code of Procurement Practice Update
Scrutiny Comment		<p>The Finance & Audit Scrutiny Committee supported the recommendation with the following amendments:</p> <ul style="list-style-type: none"> • A reference to Social Value should be made in the Stage Closure Questions on page 21; • The second bullet point relating to paragraph 5.2 of the report should be amended to read "showing all procurement opportunities each of which has a total value above £25,000"; • Paragraph 14.5.1, page 24/25, be amended to include wording to allow the tenderer to be given the choice to confirm or amend the tender figure; • The risks detailed in the report at section 6, should contain reference to the potential impact on residents should a contract not be fulfilled; • Section 5.5 of the Code, Requests for Information, should contain a warning to officers of the consequences of not supplying information when asked. • In addition, officers should consider using an Information Release schedule to manage that risk. 	
Executive Response		<p>The Finance Portfolio Holder thanked the Finance & Audit Scrutiny Committee for their consideration of this matter which had demonstrated their expertise and knowledge in this area and welcomed their suggested amendments.</p>	

Item no	6	Title	Housing Revenue Account Business Plan Review
Scrutiny Comment		<p>The Finance & Audit Scrutiny Committee supported the recommendations in the report.</p>	
Executive Response		<p>No response provided.</p>	

Item no	7	Title	Service Area Plans
Scrutiny Comment		<p>The Finance & Audit Scrutiny Committee supported recommendation 2.3 whilst noting that paragraph 3.34 states "a budget of <u>up to £60k</u> over two years" which is not reflected in the recommendation.</p>	
Executive Response		<p>The Executive agreed that recommendation 2.3 should be amended to state "up to £60,000 over two years".</p>	

Item no's	9	Title	Corporate Property Repair and Planned Maintenance Programme 2017/18
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report		
Executive Response	No response provided.		


Item no's	10A	Title	Significant Business Risk Register
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
Executive Response	No response provided.		

**Response from the meetings of the Executive on Joint Finance & Audit
Scrutiny and Overview & Scrutiny Committees Comments – 11 April 2017**

Items no.	4	Title	Europa Way – Strategic Opportunity Proposal	Requested by	All
Scrutiny Comment	The Committees noted the contents of the report.				
Executive Response	No response was made by the Executive.				

Items no.	6	Title	Europa Way – Strategic Opportunity Proposal	Requested by	All
Scrutiny Comment	The Committees noted the revised business plan from the football club and their commitment to it. The Committee recognised that the business plan would continue to be monitored by the Council as part of this project. It also noted that at an appropriate time, the business plan may be subject to a further independent assessment.				
Executive Response	The Executive agreed with comments from the joint meeting and explained that decisions would need to be taken at appropriate stages based on the information available at that time.				

Items no.	7	Title	Note of Decision taken under Chief Executive's Emergency Powers	Requested by	All
Scrutiny Comment	<p>The Committee noted the contents of the report.</p> <p>Councillor Mrs Falp explained to the Committee that she had excluded herself from the consultation by the Chief Executive on this decision because of a conflict of interest she had on the decision. The Chief Executive confirmed that this had been the case.</p> <p>In addition, Councillors Mrs Falp and Margrave asked for it to be recorded that they were not in favour of the decision taken by the Chief Executive.</p>				
Executive Response	No response was made by the Executive				

 Finance & Audit Scrutiny Committee – 31 May 2017		Agenda Item No. <h1>10</h1>
Title	Review of the Work Programme & Forward Plan	
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	n/a	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	n/a
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report informs the Committee of its work programme for 2017/18 (Appendix 1) and the current Forward Plan (Appendix 2).

2. Recommendation

- 2.1 Members consider the work programme and agree any changes as appropriate.
- 2.2 The Committee to; identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and to nominate a Member to investigate that future decision and report back to the Committee.

3. Reasons for the Recommendation

- 3.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is the Executive's future work programme. If any non-Executive Member or Members highlight items which are to be taken by the Executive which they would like to be involved in, those Members can then provide useful background to the Committee when the report is submitted to the Executive and when the Committee passes comment on it.

4. Policy Framework

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

5. Budgetary Framework

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

6. Risks

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

7. Alternative Option(s) Considered

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

8. Background

- 8.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan. The Committee may wish to give greater consideration to the reports in Section 2 of Appendix 1, to maximise the time available for Members to input into the process.

Finance and Audit Scrutiny Committee WORK PROGRAMME 2017/18

31 May 2017

1	Annual Governance Statement	Audit Item	Richard Barr
2	Internal Audit Annual Report	Audit Item	Richard Barr
3	Internal Audit Quarter 4 2016/17 Progress Report	Audit Item	Richard Barr
4	Annual Governance Statement Qtr 4 Action Plan Report	Audit Item	Richard Barr

27 June 2017

1	Contracts Registers Reviews – Neighbourhood Services	Scrutiny Item	Rob Hoof
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25 July 2017

1	Service Risk Register Review (Development Services)	Audit Item	Tracy Darke
2	Significant Business Risk Register	Audit Item	Richard Barr

30 August 2017

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26 September 2017

1	Internal Audit Quarter 1 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 1 Action Plan Report	Audit Item	Richard Barr
3	Contracts Registers Reviews – Finance	Scrutiny Item	Mike Snow

31 October 2017

1	Service Risk Register Review (Health & Community Protection)	Audit Item	Marianne Rolfe
2	Significant Business Risk Register	Audit Item	Richard Barr

28 November 2017

1	Internal Audit Quarter 2 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 2 Action Plan Report	Audit Item	Richard Barr

3 January 2018

1	Service Risk Register Review (XXXX Services)	Audit Item	Head of Service
2	Significant Business Risk Register	Audit Item	Richard Barr

6 February 2018

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6 March 2018

1	Internal Audit Quarter 3 2017/18 Progress Report	Audit Item	Richard Barr
2	Annual Governance Statement Qtr 3 Action Plan Report	Audit Item	Richard Barr

4 April 2018

1	Service Risk Register Review (XXXX Services)	Audit Item	Head of Service
2	Significant Business Risk Register	Audit Item	Richard Barr
3	End of Term Report	Scrutiny item	Amy Barnes / Chair



Appendix 2 - Warwick District Council Forward Plan May to August 2017

**Councillor Andrew Mobbs
Leader of the Executive**

The Forward Plan is a list of all the Key Decisions which will be taken by the Executive in the next four months. The Warwick District Council definition of a key decision is: - a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

Whilst the majority of the Executive's business at the meetings listed in this Forward Plan will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 that part of the Executive meeting listed in this Forward Plan will be held in private. This is because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those items which are proposed to be considered in private are marked as such along with the reason for the exclusion in the list below.

If you would like to make representations or comments on any of the topics listed below, including the confidentiality of any document, you can write to the contact officer, as shown below, at Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ. Alternatively you can phone the contact officer on (01926) 456114. If your comments are to be referred to in the report to the Executive or Committee they will need to be with the officer 7 working days before the publication of the agenda. You can, however, make comments or representations up to the date of the meeting, which will be reported orally at the meeting. The Forward Plan will be updated monthly and you should check to see the progress of the report you are interested in.

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Section 1 – The Forward Plan May to August 2017

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
May 2017 – No scheduled Executive meetings at this time.						
1 June 2017						
Car Parking Strategy (Ref 790)	To consider the future off-street car parking needs of Leamington, Warwick and Kenilworth and how these should be addressed.		Executive 2/6/16 27/7/2016 Reason 3 01/06/2017	23/05/2017	Paul Garrison Cllr. Shilton	
Task & Finish Group – Houses in Multiple Occupation (Ref 865)	To consider the report and recommendations from the HMO Task & Finish group.		Executive 01/06/2017	23/05/2017	Cllrs Naimo, Mrs Cain Quinney, Davison, Thompson, Mrs Knight & Miss Grainger Cllrs Cross & Phillips	Residents Associations (various), Warwick University, Landlords Forum, WCC Councillors, Parish & Town Councils.
Members' Allowances Scheme (Ref 853)	To consider the recommendations of the Independent Review Panel with regard to Warwick District Councillors Allowances.		Executive 4/4/2017 Reason 3 01/06/2017	23/05/2017	Graham Leach Cllr Mobbs	
Update of Indoor Sports and Playing Pitch Strategies (Ref 868)	To approve funding for the update of this project and to approve the exemption from the formal procurement process.		Executive 28/06/2017	20/06/2017	Rose Winship Cllr Coker	

Cloister Way Affordable House Purchases (Ref 867)	To recommend the purchase of 5 properties at Cloister Way to meet the need for housing across the district by increasing Council stock.		Executive 01/06/2017	23/05/2017	Ken Bruno, Charlotte Lancaster Cllr Phillips	
Land at The Square, Kenilworth (Ref 871)	To consider the potential disposal of WDC owned land.		Executive 01/06/2017	23/05/2017	Chris Makasis Cllr. Mobbs	
Fit For the Future Change Programme (Ref 839)	To update the Council's Fit For the Future Change Programme.		Executive 01/06/2017	23/05/2017	Andrew Jones Cllr Mobbs	
28 June 2017						
Risk Based Verification (Ref 846)	To seek approval for using Risk Based Verification for Benefit Claims		Executive 28/06/2017	20/06/2017	Andrea Wyatt Cllr Whiting	
St Mary's Lands Master Plan and Delivery Plan Implementation Update (Ref 842)	To consider the masterplan for adoption as the policy for the area and further decisions on its implementation.		Executive 28/06/2017	20/06/2017	Chris Elliott Cllr Butler	
Housing Related Support (Ref 854)	To approve new budgetary arrangements following a restructure of Housing Support Services.		Executive 28/06/2017	20/06/2017	Simon Brooke Cllr Phillips	
Linen Street Car Park (Ref 861)	To consider recommendations for redevelopment for the Linen Street Car Park facility		Executive 28/06/2017	20/06/2017	Paul Garrison Cllr Shilton	

Task & Finish Group – Off-street Car Parking Charges Review (Ref 864)	To consider the report and recommendations from the Off-street car parking Task & Finish group.		Executive 01/06/2017 Reason 4 28/06/2017	20/06/2017a	Cllrs Quinney, Day, Mrs Cain, Mrs Stevens, Boad & Ashford P/H Cllr Shilton	BID Leamington, Warwick District Chambers of Trade, WCC Park & Ride and WCC On-street parking and liaison
Proposed Relocation of Kenilworth School (Ref 869)	To agree the Council's level of support in enabling the school to take its proposals forward.		Executive 28/06/2017	20/06/2017	Andrew Jones Cllr Mobbs	
Whitnash Community Hub Business Plan and Funding (Ref 870)	To agree the next steps for the funding of the community hub.		Executive 28/06/2017	20/06/2017	Andrew Jones Cllr Mobbs	
Land at The Holt, Leamington Spa (Ref 872)	To consider the potential disposal of WDC owned land.		Executive 28/06/2017	20/06/2017	Chris Makasis Cllr. Phillips	Ward Councillors
St Mary's Lands Warwick Golf Centre (Ref 843)	To consider the business case for an investment proposal. (Private and Confidential by virtue of paragraph 3 of Local Government Act 1972 - Schedule 12A following the Local Government (Access to Information) (Variation) Order 2006).		Executive 4/4/2017 Reason 3 01/06/2017 Reason 3 28/06/2017	20/06/2017	Chris Elliott Cllr Butler	
Revised Council Strategy (Ref 873)	To report back on the LGA Peer Review which was agreed in April and promised an updated Council Strategy.		Executive 28/06/2017	20/06/2017	Chris Elliott Cllr Mobbs	

July 2017						
Final Accounts 2016/17 (Ref 847)	To report on the Council's outturn position for both revenue and capital.		Executive 26/07/2017	18/07/2016	Marcus Miskinis Cllr Whiting	
Corporate Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings.		Executive 29/6/2016 Reason 6 1/9/16 Reasons 3 & 5 5/1/2017 Reasons 3 & 5 8/2/2017 Reasons 3 & 5	18/07/2016	Bill Hunt Cllrs Mobbs, Cross, Shilton, Coker & Whiting	
Abbey Fields, Parks for People Bid (Ref 863)	To consider bringing forward a tender to scope and consult on a Heritage Lottery funding bid for Abbey Fields		Executive 26/07/2017	18/07/2016	Richard Lunwood Cllr Shilton	
Review of Significant Business Risk Register (Ref 875)	To inform Members of the Significant Risks to the Council.		Executive 26/07/2017	18/07/2017	Richard Barr Cllr Mobbs	
August 2017						
Budget Review Quarter One to include Financial Projections (Ref 848)	To report on the latest financial prospects for the current and future 5 years.		Executive 31/08/2017	22/08/2017	Andy Crump Cllr Whiting	
12 Month Review of Waste Container Charging Policy (Ref 857)	To review the waste container charging policy after 12 months of it being in effect.		Executive 31/08/2017	22/08/2017	Becky Davies Cllr Shilton	Waste container charging paper: Executive meeting – 10 February 2016 - Agenda

						<p>item no.3 and Council – 24 February 2016</p> <p>8 month review of waste container charges:</p> <p>Finance and Audit Scrutiny Committee – 7 Feb 2017 Agenda item no.9 and Overview and Scrutiny Committee – 7 Feb 2017 Agenda item no.7</p>
Leamington Spa Car Parking Displacement Plan (Ref 844)	To set out the options available should vehicles be displaced from Covent Garden car park and to consider alternative parking options within Leamington Town Centre.		Executive 4/4/2017 Reason 2 31/08/2017	22/08/2017	Gary Charlton Cllr Shilton	
Car Park Fees and Charges (Ref 862)	To consider the recommendations for changes to car park fees and charges.		Executive 31/08/2017	22/08/2017	Paul Garrison Cllr Shilton	Warwick District Chambers of Trade and BID Leamington.
Leamington Cemetery North Lodge (Ref 828)	To review the future use of Leamington Cemetery North Lodge.		Executive 4/4/2017 Reason 3 28/06/2017 Reason 3 31/08/2017	22/08/2017	Rob Hoof Cllr Shilton	

Section 2 Key decisions which are anticipated to be considered by the Council between September and December 2017

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
September 2017						
Fees and Charges (Ref 849)	To propose the level of fees and charges to be levied from 2 January 2018.		Executive 27/09/2017	19/09/2017	Andy Crump Cllr Whiting	
Article 4 Direction for Royal Leamington Spa Conservation Area (Ref 859)	To authorise the creation of an Article 4 Direction for Royal Leamington Spa Conservation Area, to restrict those permitted development rights that are potentially harmful to the appearance of the Conservation Area.		Executive 27/09/2017	19/09/2017	Nick Corbett Cllr Cross	
October 2017 – No scheduled Executive meetings at this time.						
1 November 2017						
Review of Significant Business Risk Register (Ref 876)	To inform Members of the Significant Risks to the Council.		Executive 01/11/2017	24/10/2017	Richard Barr Cllr Mobbs	
29 November 2017						
12 Month Review of New Housing Allocations Policy (Ref 858)	To review the working of the new Housing Allocations Policy.		Executive 29/11/2017	21/11/2017	Ken Bruno Cllr Phillips	
Budget Review Quarter Two (Ref 874)	To report on the latest financial prospects for the current and		Executive 29/11/2017	21/11/2017	Andy Crump	

	future 5 years.				Cllr Whiting	
General Fund Base Budgets 2018/19 to include Budget Review for the current year (Ref 877)	To consider the following year revenue budgets for the General Fund and update Members on the latest Budgets for 2017/18.		Executive 29/11/2017	21/11/2017	Marcus Miskinis Cllr Whiting	
HRA Base Budgets 2018/19 (Ref 878)	To consider the following year revenue budgets for the HRA and update Members on the latest position for the current year.		Executive 29/11/2017	21/11/2017	Andrew Rollins Cllr Phillips	

December 2017 – No scheduled Executive meetings at this time.

Section 3 Key decisions which are anticipated to be considered by the Council but the date for which is to be confirmed

Topic and Reference	Purpose of report	History of Committee Dates & Reason code for deferment	Contact Officer & Portfolio Holder	Expansion on Reasons for Deferment	External Consultees/ Consultation Method/ Background Papers	Request for attendance by Committee
Private Sector Housing Grants Policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents.		Ken Bruno Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been determined.		TBC
Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company.	Executive 9/3/2016 2/6/2016 Reason 2 Reason 1 29/6/2016 Reasons 1 & 2	Bill Hunt Cllr Phillips	Awaiting further information on the implications of the Housing & Planning Act.		

Revisions to the Constitution/ Delegation Agreement (Ref 819)	To request revisions to the Constitution/ Delegation Agreement with regard to the determination of Planning Applications.		Tracy Darke/Gary Fisher Cllr Cross	This is the subject of on-going discussion with key members.		
Leisure Development – Phase II (Kenilworth) (Ref 803)	To agree the scope of Phase II.	Executive 28/9/2016 Reason 5	Rose Winship Cllr Coker			
HRA Asset Management and Development Policy (Ref 829)		Executive	Bill Hunt Cllr Phillips			
Strategic Opportunity Proposal (Ref 712)	To update Members on the current position. It is anticipated that this report will be, in part, Confidential by virtue of the information relating to the financial or business affairs of any particular person (including the authority holding that information).	Executive/ Council 03/09/15 30/09/15 02/12/2015 6/4/2016 2/6/2016 30/11/2016 Reason 3 5/1/2017 Reasons 3 & 5	Chris Elliott Cllr Phillips	This item will be brought to Council on 22 February 2017, however it is not yet clear if Executive approval will be required for some aspects of the report.		
Recording and Broadcasting of Public Meetings (Ref 840)	To inform members of the research into the potential to record and broadcast all Council meetings as per the Notice of Motion to Council.	Council 29/6/2016 Executive 5/1/2017 8/2/2017 Reason 3	Graham Leach Cllr Mobbs	Currently being investigated in tandem with Council Chamber PA issues.		

Councillors IT (Ref 841)	To report back on the work of the Councillor IT Working Party.	Executive 5/1/2017 8/2/2017 Reason 3	Graham Leach Cllr Mobbs	Awaiting the outcome of Members' Allowances Review.		
Consideration of a Hackney Carriage Vehicle Limitation Policy (Ref 851)	<p>To update members on the results of the WDC Hackney Carriage Unmet Demand Survey and:</p> <p>Meeting1 – Introduce highlights of survey and propose a 6 week consultation on recommended options outlined in the survey.</p> <p>Meeting 2 – Update on the consultation & determine any change to policy, following the consultation.</p>		Lorna Hudson Cllr Grainger	This report will go to Licensing & Regulatory Committee on 20/02/17 & 30/05/17 prior to being brought to Executive.	<p>Taxi trade, local business, safer communities, disability, equality and other local group representatives, Town Councils, Police.</p> <p>Questionnaire on website/email.</p> <p>CTS Traffic & Transportation Final Report - July 2016.</p>	
WDC Enterprise – New Trading Arm (Ref 817)	To seek approval to establish a Local Authority Trading Company, to expand support provision whilst capitalising on existing skills to maximise income.	Executive 2/11/2016 Reason5 5/1/2017 Reason5 8/2/2017 Reason 5	Gayle Spencer Cllr Butler			
Events Review (Ref 832)	To review the provision and support of events in the District.	Executive 8/3/2017 Reason 4	Stuart Poole Cllr Butler			
HQ Relocation Project – outcome of	To consider the outcomes of the phase 1 work and, if appropriate, seek approval for	Executive 26/07/2017	Bill Hunt Cllrs Mobbs,	Timing is dependent on the completion of the planning,		

phase 1 work (Ref 801)	commencement of the phase 2 delivery works.	Reason 3	Whiting, Cross, Shilton	marketing and procurement processes.		
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Section 4 – Items which are anticipated to be considered by the Executive but are NOT key decisions

Topic and Reference	Purpose of report	If requested by Executive – date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
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May 2017 – No scheduled Executive meetings at this time.

1 June 2017

Abbey Fields Footpath Improvements - Feasibility Study	To agree funding for improvements to a footpath.		Executive 01/06/2017	23/05/2017	Andrew Jones Cllr Shilton	
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28 June 2017

Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 28/06/2017	20/06/2017	Jon Dawson Cllr Whiting	
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July 2017 – No scheduled reports at this time.

August 2017

Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 31/08/2017	22/08/2017	Jon Dawson Cllr Whiting	
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September 2017

Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 27/09/2017	19/09/2017	Jon Dawson Cllr Whiting	
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October 2017 – No scheduled Executive meetings at this time.						
1 November 2017 – No scheduled reports at this time.						
29 November 2017						
Rural Urban Community Initiative Scheme Applications	To consider applications for Rural and Urban Initiative Grants.		Executive 29/11/2017	21/11/2017	Jon Dawson Cllr Whiting	
Internal Audit Quarter 2 Progress Report	To review progress in achieving the Audit Plan.		Executive 29/11/2017	21/11/2017	Jon Dawson Cllr Whiting	
December 2017 – No scheduled Executive meetings at this time.						

Delayed reports:

If a report is late, officers will establish the reason(s) for the delay from the list below and these will be included within the plan above:

1. Portfolio Holder has deferred the consideration of the report
2. Waiting for further information from a Government Agency
3. Waiting for further information from another body
4. New information received requires revision to report
5. Seeking further clarification on implications of report

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

**The forward plan is also available, on request, in large print on request, by telephoning
(01926) 456114**