



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **AUDIT COMMITTEE** will be held in David Hicks 1 - Civic Offices, Shute End, Wokingham RG40 1BN on **WEDNESDAY 29 NOVEMBER 2023 AT 7.00 PM**

A handwritten signature in black ink, appearing to read 'Susan Parsonage', written in a cursive style.

Susan Parsonage
Chief Executive

Published on 21 November 2023

Note: Members of the public are welcome to attend the meeting or participate in the meeting virtually, in accordance with the Council's Constitution. If you wish to participate either in person or virtually via Microsoft Teams, please contact Democratic Services: Democratic.services@wokingham.gov.uk

The meeting can also be watched live using the following link:
<https://youtube.com/live/Rbk1tmrTyvU?feature=share>

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Our Vision
<i>A great place to live, learn, work and grow and a great place to do business</i>
Enriching Lives
<ul style="list-style-type: none"> • Champion excellent education and enable our children and young people to achieve their full potential, regardless of their background. • Support our residents to lead happy, healthy lives and provide access to good leisure facilities to enable healthy choices for everyone. • Engage and empower our communities through arts and culture and create a sense of identity for the Borough which people feel part of. • Support growth in our local economy and help to build business.
Providing Safe and Strong Communities
<ul style="list-style-type: none"> • Protect and safeguard our children, young and vulnerable people. • Offer quality care and support, at the right time, to reduce the need for long term care. • Nurture our communities: enabling them to thrive and families to flourish. • Ensure our Borough and communities remain safe for all.
Enjoying a Clean and Green Borough
<ul style="list-style-type: none"> • Play as full a role as possible to achieve a carbon neutral Borough, sustainable for the future. • Protect our Borough, keep it clean and enhance our green areas for people to enjoy. • Reduce our waste, promote re-use, increase recycling and improve biodiversity. • Connect our parks and open spaces with green cycleways.
Delivering the Right Homes in the Right Places
<ul style="list-style-type: none"> • Offer quality, affordable, sustainable homes fit for the future. • Ensure the right infrastructure is in place, early, to support and enable our Borough to grow. • Protect our unique places and preserve our natural environment. • Help with your housing needs and support people, where it is needed most, to live independently in their own homes.
Keeping the Borough Moving
<ul style="list-style-type: none"> • Maintain and improve our roads, footpaths and cycleways. • Tackle traffic congestion and minimise delays and disruptions. • Enable safe and sustainable travel around the Borough with good transport infrastructure. • Promote healthy alternative travel options and support our partners in offering affordable, accessible public transport with good transport links.
Changing the Way We Work for You
<ul style="list-style-type: none"> • Be relentlessly customer focussed. • Work with our partners to provide efficient, effective, joined up services which are focussed around our customers. • Communicate better with customers, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough. • Drive innovative, digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.
Be the Best We Can Be
<ul style="list-style-type: none"> • Be an organisation that values and invests in all our colleagues and is seen as an employer of choice. • Embed a culture that supports ambition, promotes empowerment and develops new ways of working. • Use our governance and scrutiny structures to support a learning and continuous improvement approach to the way we do business. • Be a commercial council that is innovative, whilst being inclusive, in its approach with a clear focus on being financially resilient. • Maximise opportunities to secure funding and investment for the Borough. • Establish a renewed vision for the Borough with clear aspirations.

MEMBERSHIP OF THE AUDIT COMMITTEE

Councillors

Rachel Burgess (Chair)
David Davies
Jordan Montgomery

Mike Smith (Vice-Chair)
Peter Harper

Sam Akhtar
Stephen Newton

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35.		APOLOGIES To receive any apologies for absence	
36.		MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 27 September 2023.	5 - 14
37.		DECLARATION OF INTEREST To receive any declarations of interest	
38.		PUBLIC QUESTION TIME To answer any public questions A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of this committee. Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions	
39.		MEMBER QUESTION TIME To answer any member questions	
40.	None Specific	WOKINGHAM BOROUGH COUNCIL AUDIT PROGRESS UPDATE To receive the Wokingham Borough Council Audit Progress Update.	15 - 22
41.	None Specific	CORPORATE RISK REGISTER To receive the Corporate Risk Register.	23 - 52
42.	None Specific	2023/24 INTERNAL AUDIT AND INVESTIGATION PLAN - QUARTER 2 PROGRESS REPORT (TO 30 SEPTEMBER 2023)	53 - 74

To receive the 2023/24 Internal Audit and Investigation Plan - Quarter 2 Progress Report (to 30 September 2023).

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| 43. | None Specific | REVIEW OF THE COUNCIL'S ANTI-FRAUD AND ANTI-CORRUPTION POLICIES
To receive the review of the Council's Anti-Fraud and Anti-Corruption Policies. | 75 - 144 |
| 44. | None Specific | CIPFA MANAGEMENT CODE
To receive a report regarding the CIPFA Management Code. | 145 - 174 |
| 45. | None Specific | FORWARD PROGRAMME
To consider the forward programme for the remainder of the municipal year. | 175 - 176 |

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading

CONTACT OFFICER

Madeleine Shopland
Tel
Email
Postal Address

Democratic & Electoral Services Specialist
0118 237 9560
madeleine.shopland@wokingham.gov.uk
Civic Offices, Shute End, Wokingham, RG40 1BN.

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
HELD ON 27 SEPTEMBER 2023 FROM 7.00 PM TO 8.40 PM**

Committee Members Present

Councillors: Rachel Burgess (Chair), Mike Smith (Vice-Chair), Sam Akhtar, Peter Harper, Stephen Newton, Jordan Montgomery, Mike Drake and Sandeep Vig (online)

Also Present

Madeleine Shopland, Democratic & Electoral Services Specialist

Graham Cadle, Assistant Director Finance (online)

Susan Parsonage, Chief Executive

Mark Thompson, Chief Accountant (online)

Catherine Hickman, Head of Internal Audit and Investigations

Andrew Moulton, Assistant Director Governance

Paul Ohsan Ellis, Governance and Risk Manager

Janet Dawson, EY (online)

23. APOLOGIES

An apology for absence was submitted from Councillor David Davies.

24. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 19 July 2023 were confirmed as a correct record and signed by the Chair.

The Chair introduced Sandeep Vig, a new Independent Member of the Committee. CIPFA guidance recommended that Audit Committees have two independent members.

The Chair also questioned whether all Members had responded to the skills audit, and was informed that there was still some responses outstanding.

25. DECLARATION OF INTEREST

Councillor Stephen Newton declared a Personal Interest in item 33 Corporate Risk Register on the grounds that he and his wife were foster carers.

26. PUBLIC QUESTION TIME

There were no Public questions.

27. MEMBER QUESTION TIME

In accordance with the agreed procedure the Chairman invited members to submit questions to the appropriate Members.

27.1 Gary Cowan asked the Chairman of the Audit Committee the following question. Due to his inability to attend the following written answer was provided:

Question:

With more councils going bankrupt the Local Government Association and the Chartered Institute of Public Finance and Accountancy have serious concerns on the management of Councils finances point out that.

The note that the skills and professional capabilities of officers must also include the skills of elected members.

They add that internal audit requires good financial management reinforced by a culture that encourages responsibility and transparency.

Examples that might cause concern are Council spending of £1.14 Million on one project at Toutley and current consultants Staff increased costs. No doubt there are others.

My question is, in these very difficult times what urgent transparent actions has the Audit Committee added so as to guard against increased risks to Wokingham Borough Council going bankrupt?

Answer:

Thank you for your question.

Whilst the arrangements for the Audit Committee to review and challenge the Council's financial position and associated governance have been robust and comprehensive, we continue to review and develop how the Committee can add further value.

As you will know, the Committee already receive the full detail of the Council's annual accounts and extensive reports from our external auditors on the progress and outcomes of their work, matters arising and any issues or concerns. Council Officers and external auditor representatives attend committee meetings and will provide further detail and where appropriate written responses and amendments to issues raised.

To further enhance the current arrangements and provide confidence, over the past year we have introduced:-

- a) A clear action log to ensure all questions and issues raised are addressed fully.
- b) An independent member has been introduced to the committee to add to the breadth of experience and knowledge on the committee. We also recently added a second independent member to the Committee.
- c) The Committee have considered and reviewed officers' assessment of arrangements against the CIPFA code of financial management practice. A number of actions have been identified from this and members will receive ongoing updates on progress against these actions.
- d) The committee regularly reviews the Council's corporate risk register, which continues to develop to provide further detail and understanding of mitigations. This includes a number of key risks in respect of the Council's financial position and governance.
- e) In February 2023 the Committee considered a CIPFA report on those authorities who had published a Section 114 notice. This provided the Committee with assurance that the factors leading to those authorities' financial difficulties were not present at Wokingham BC.
- f) We have reviewed and improved the level of information provided to committee in respect of internal audit reporting, including further understanding of actions required from audit findings.
- g) We are introducing more informal meetings directly with external and internal auditors to build the relationship and understanding and an opportunity to further explore current issues or pressures.
- h) The Council's Local Code of Corporate Governance was considered by the Committee in June 2023 before full Council approved the Code in July 2023.

- i) The Committee also reviews the Council's Annual Governance Statement which sits alongside the Statement of Account. This is a comprehensive statement covering the Council's governance arrangements providing assurance to councillors and the public.
- j) Each year full Council receives a report on the work of the Committee providing assurance to all members as well as an opportunity for members to question any areas of concern. Full Council received our latest report in March 2023.

28. EY 2020/21 AUDITORS ANNUAL REPORT

Janet Dawson, EY, presented the EY 2020/21 Auditors Annual Report.

During the discussion of this item the following points were made:

- The report summarised the work undertaken by EY on the 2020/21 audit, which had been completed over the summer.
- Appendix A detailed EY's assessment of the Value for Money arrangements that had been in place against the criteria and sub criteria that EY were required to test the Council against. No exemptions had been found to report.
- Appendix B detailed all the recommendations made across the financial statements.
- Appendix C set out the proposed fees for the audit. The PSAA would determine what they felt was a fair fee for the work submitted.
- Councillor Newton noted that the element relating to the Berkshire Pension Fund had now been completed. He questioned whether the Pension Fund auditors were on track to complete for the following audit in a timelier manner. Janet Dawson indicated that assurance had been provided that the pension element for the following audit would be provided by the calendar year. Whilst this was timelier this was still a delay. Officers and EY would continue to monitor this.
- Councillor Newton commented that the report stated that the Council could improve its governance arrangements to oversee working with charities, and questioned whether this had improved. Janet Dawson indicated that this would be picked up under the current audit.
- Councillor Newton referred to adjustments which the Council had accepted improvements were needed in these areas. He asked whether this had been progressed. He went on to note the recommendation that the Council should ensure that sufficient information was retained to support payments made, including documentation supporting any judgements made by the Council and the authorisation process that payments had been through, and questioned whether this had occurred. Again, Janet Dawson indicated that this would be picked up under the current audit.
- The Assistant Director Finance believed that improvements had been made. Resources had increased in the Finance team, and he would expect EY to find improvements in the 2021/22 audit.
- Councillor Newton asked whether service levels were built into contracts.
- Councillor Newton questioned whether EY were satisfied the breach of the Rents Standards had been satisfactorily addressed.
- In response to a Member question regarding procurement business cases, Janet Dawson indicated that EY had been satisfied with the arrangements that had been operating at the time of the audit.
- In response to a question from Mike Drake regarding material adjustments, the Assistant Director Finance commented that whilst adjustments had been identified

- they were not so significant as to impact the bottom line and did not have an ongoing impact. The Committee was reminded that the audit related to 2020/21.
- Mike Drake asked about the assessment of costs and borrowing in relation to value for money. Janet Dawson responded that EY would look at that when looking at a particular scheme and understand how information was being used, presented, and analysed to support any decision made by the Council. The return on borrowings and refinancing would be looked at a Council level.
 - Councillor Burgess asked how the PSAA validated the additional fees. Janet Dawson explained that EY were required to set out their fees, and the hours and work that they had undertaken. The PSAA set rates across audit teams. The PSAA undertook benchmarking across organisations by type.
 - Members questioned whether the Audit Committee could receive the regular update from the Contract Management Learning and Support Group. Officers indicated that this was an internal, operational officers' groups, and suggested that the Chair of the Group provide an update to the Committee on its role.
 - Councillor Akhtar referred to an anonymous whistleblowing allegation. The Assistant Director Governance indicated that two recommendations had made in relation to this whistleblowing allegation and that he was satisfied that the appropriate controls had been put in place, and that internal controls had been strengthened.
 - Councillor Harper expressed concern regarding unexplained differences between the accounting records and the statement. Janet Dawson stated that bank reconciliations were a key control, so this had been highlighted even though the amount was below the reporting threshold. Nevertheless, EY would have satisfied themselves that this was not hiding a bigger issue. The Assistant Director Finance added that at the time of the work there had been some delays and a pressure on resources. However, this was not a current risk and there were now no discrepancies.
 - In response to a question from Councillor Newton regarding the monitoring of the value for money of projects, Janet Dawson indicated that EY did look at decisions to enter into arrangements or contracts but also the risks to the organisation on an ongoing basis. The work on Value for Money was risk based. The Assistant Director Finance commented that the business case would set out the investment, the anticipated level of interest to be paid over a period, and the returns. This would be monitored internally.
 - Councillor Smith commented that the word 'Council' was used both to describe the organisation and Full Council, and asked that there be more consistency in the terminology.

RESOLVED: That the EY 2020/21 Auditors Annual Report be noted.

29. EY - PROGRESS REPORT ON 2021/22 AUDIT

The Committee considered the EY Progress Report on the 2021/22 audit.

During the discussion of this item, the following points were made:

- The report outlined the progress made against the 2021/22 audit and the expected timeline.
- Whilst the audit was dependent on the Pension Fund element it was anticipated that assurance would be provided by the end of year.
- Once the audit was complete attention could turn to the 2022/23 audit.

RESOLVED: That the EY Progress Report on the 2021/22 audit be noted.

30. 2023/24 INTERNAL AUDIT AND INVESTIGATION QUARTER 1 PROGRESS REPORT

The Committee received the 2023/24 Internal Audit and Investigation Plan – Quarter 1 Progress Update (up to 30 June 2023).

During the discussion of this item, the following points were made:

- The report highlighted audit activity for the first three months of the financial year.
- Appendix AI detailed all the audits for the year and the status as at the end of June.
- The report highlighted the key corporate risks that would be audited this year.
- There were no audits that had an outstanding management response.
- It was noted that regular follow up activity was undertaken around high risk concerns.
- In the first quarter, one audit has been finalised (2022/23 Right to Buy Scheme), that had attracted the third category of audit opinion, and this has been shared with the Chair of the Audit Committee.
- Mike Drake commented that there were a number of recommendations to be implemented by 30 September.
- Councillor Smith noted that an agreed management countermeasure for a high risk concern relating to the Debtors audit, was that the Council consider further innovation in its methods for receiving income, and that this was due by 30 September. He questioned whether this would be achieved within the timescale. The Assistant Director Finance highlighted different ways of interacting with customers and the use of different collection techniques. Whilst work was quite advanced it was unlikely to be finished by 30 September.
- With regards to the Right to Buy audit, Mike Drake noted that there had been one high risk concern and 22 other concerns identified. He felt that this was high and asked whether this was typical. The Head of Internal Audit and Investigations clarified that the medium risk concerns filtered into the high risk concern and that resolving the high risk concern would help to address these. A policy was required to be put in place to address the high risk concern and management had a target date of March 2024 in which to implement this.
- Councillor Smith noted that there had been four whistleblowing allegations and that three had been resolved. He requested more information on how these had been resolved. The Head of Internal Audit and Investigation agreed to feed back. The Assistant Director Governance indicated that the Whistleblowing Policy would be presented to the Committee for consideration. It was noted that many of the referrals that came through the whistleblowing hotline were in fact service complaints.
- The Committee congratulated the Audit and Investigation team on the positive feedback they had received from officers.

RESOLVED: That the 2023/24 Internal Audit and Investigation Plan – Quarter 1 Progress Update (up to 30 June 2023) be reviewed and scrutinised.

31. 2023/24 EXTERNAL QUALITY ASSESSMENT OF CONFORMANCE TO THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Committee received the 2023/24 External Quality Assessment of Conformance to Public Sector Internal Audit Standards.

During the discussion of this item, the following points were made:

- The Standards required an external assessment at least once every 5 years as part of an Internal Audit's Quality Assurance Framework. They must be conducted by a qualified, independent assessor or assessment team from outside the organisation and the Council's assessment had been undertaken by CIPFA the week commencing 10 July.
- The Assessor had determined that all Standards had been complied with.
- The Assessor had concluded that no areas of non-compliance with the standards had been identified, nor had any significant areas of partial non-compliance been identified, that would affect the overall scope or operation of the internal audit activity.
- There had been five advisory suggestions which would be implemented. The Committee would be kept updated on progress made against these.
- The Committee congratulated the Audit and Investigation Team on the outcome of the review and thanked them for their hard work.

RESOLVED: That the outcome of the 2023/24 External Quality Assessment of Conformance to Public Sector Internal Audit Standards and the assessment of the Council's compliance with audit standards and the high quality of the Internal Audit Service, be noted.

32. CORPORATE RISK REGISTER

The Chief Executive presented the Corporate Risk Register.

During the discussion of this item, the following points were made:

- The report highlighted the top four corporate risks: Budget and financial resilience, Cyber security, Adult Social Care supplier sustainability and sufficiency; and Education for children with SEND.
- Two new risks had been escalated to the Corporate Risk Register: Elections Risk and Support for Unaccompanied Asylum Seeking Children. The risks relating to the website replacement project and the Health and Social Care Reform, had been removed.
- With regards to Risk 22 Support for Unaccompanied Asylum Seeking Children, the Chief Executive indicated that there was a risk around funding. The Council was required, under the national transfer scheme, to accept the equivalent of 0.1% of the under 18 population – 41 unaccompanied Asylum Seeking children. This number had now been reached. However, a disproportionate burden was placed on the social work service. In addition, Wokingham did not currently have enough foster carers with the appropriate cultural knowledge and background so many had been placed outside of the Borough. The Council was seeking to address this. There was a risk that escalating costs of placement and ongoing provision of accommodation post-18 presented a significant financial challenge to the authority, and that the social care workforce would become overwhelmed. The Virtual School had met to discuss the differing needs of the children.
- Councillor Newton was pleased to note that many mitigations were on track. He went on to question whether when the target date of a mitigating action was reached it was anticipated that the risk and the target would be fully aligned. The Governance and Risk Manager indicated that there would be cases where the gap could not be fully mitigated. He would review how this was reflected to the Committee.

- Councillor Smith suggested that Planning fraud be listed as a type of possible fraud that a local authority could face.
- In response to a question from Councillor Smith regarding the mitigating actions for the risk around Cyber Security, the Governance and Risk Manager explained that the Public Sector Network was a national government standard accreditation for IT which allowed the Council to connect to government data sources such as the Department for Works and Pensions. There was a possibility that this standard would be replaced but the Council would meet whatever standard was required of it.
- With regards to Risk 2 Corporate Governance, Councillor Harper referred to a number of decisions which should have been key decisions and had then had to be rolled back. He questioned who had responsibility for ensuring that decision making was undertaken correctly, and that due process was followed. The Assistant Director Governance indicated that as Monitoring Officer he was responsible for ensuring that the Constitution was complied with appropriately. Directors were also responsible for monitoring their own areas.
- Councillor Harper queried the rating of the risk relating to Climate Change. The Chair suggested that this was linked to the wording of the risk. She queried what impact the recent change in Government policy around electric vehicles would have. The Chief Executive stated that the risk objectives would be further clarified.
- The Chair asked about the Elections Risk, the planning of resources and if there were any likely single points of failure. The Assistant Director Governance indicated that it was on the Corporate Leadership Team's agenda and that the Corporate Project Delivery Team would be meeting for the first time shortly. At this stage he was confident that the risk could be appropriately mitigated. Councillor Newton commented that if it was felt that insufficient support on this matter was being provided by CLT, the Audit Committee could be informed.
- Councillor Smith queried why Risk 17 Mainstream Education Provision, showed no movement when some of the mitigation target dates were September 2023. The Chief Executive explained that this had not yet been completed. School place planning remained a high priority area.
- Members requested that all risk owners be identified in the key.
- The Governance and Risk Manager agreed to circulate information regarding the footnotes to Risk 4 Uncontrolled Development.

RESOLVED: That the Corporate Risk Register be reviewed to determine that strategic risks are being actively managed.

33. ANNUAL GOVERNANCE STATEMENT 2022/23 - UPDATE ON ACTIONS

The Committee considered the Annual Governance Statement 2022/23 – update on actions.

During the discussion of this item, the following points were made:

- Ten areas had been identified in the Annual Governance Statement where governance could be strengthened.
- Good progress was being made around the different areas.
- It was noted that progress was being made against the review of the Constitution and the progressing of the Community Vision.
- There was a slight delay in moving towards the Local Government Association Member Development Charter. It was likely to be later in 2024/25.

- Councillor Harper referred to an action relating to petitions and Motions that he had raised at the June Committee meeting. The Assistant Director Governance reiterated that this would be covered under the review of the Constitution.
- Councillor Smith sought an update about financial management. The Assistant Director Finance commented that with regards to training, finance e-learning was being developed for November with in person training due to start in December. On the job financial training continued currently. Staff qualifications were recorded manually, and work was being undertaken with HR to record this on the learning management system. In addition, LG Improve had been engaged to provide a tool to assess financial resilience. Feedback on the position would be embedded in the Chief Finance Officer letter in January. With regards to strengthening of job descriptions, this had begun on a rolling basis, as roles were advertised. It was noted that the Asset Management Plan had not progressed as much as had been hoped for due to the progress of the Local Plan and the timing of the Council's asset review. Finally, the Assistant Director Finance confirmed that an Improvement Plan monitoring process was in place.

RESOLVED: That the progress made on the actions identified in the Annual Governance Statement 2022/23 be noted.

34. FORWARD PROGRAMME

The Committee considered the forward programme for the remainder of the municipal year.

During the discussion of this item, the following points were made:

- It was noted that the Annual Governance Statement had been previously considered.
- A report regarding the Audit Committee effectiveness would be brought to the Committee's February meeting.
- The Committee would be informed of the outcome of the Members' Knowledge and Skills survey.

RESOLVED: That the forward programme be noted.

ACTION	OFFICER	ONGOING/CLOSED
JUNE MEETING - Councillor Smith noted that senior officers had received training on the respective roles of officers and Members and working together, and asked whether this could be provided to Members.	Assistant Director Governance	Open. LGA has been asked to support this training.
JUNE MEETING - The Chair also referred to a skills audit of the Committee members and private meetings between the Committee and the auditors, without officers present.	Governance and Risk Manager/Assistant Director Governance	Open – skills audit – results to be reported to Nov or Feb meeting of the Committee. Closed – private meetings with auditors commencing 27 September.

<p>JULY MEETING – SIRO Report Councillor Harper asked whether information regarding right to be forgotten requests could be provided in future reports.</p>	<p>Assistant Director Governance</p>	<p>Open. This information will be provided shortly.</p>
<p>JULY MEETING - Mike Drake praised the report and asked about benchmarking with similar councils. The Assistant Director Governance indicated that he would provide this information for the next meeting. More comprehensive information could be included in the next report.</p>	<p>Assistant Director Governance</p>	<p>Open This information will be provided shortly.</p>
<p>SEPTEMBER MEETING - Members questioned whether the Audit Committee could receive the regular update from the Contract Management Learning and Support Group. Officers indicated that this was an internal, operational officers groups, and suggested that the Chair of the Group provide an update to the Committee on its role.</p>	<p>Assistant Director Finance</p>	<p>Open</p>
<p>SEPTEMBER MEETING - 2023/24 Internal Audit and Investigation Plan – Quarter 1 Progress Update (up to 30 June 2023).</p> <p>Councillor Smith noted that there had been four whistleblowing allegations and that three had been resolved. He requested more information on how these had been resolved. The Head of Audit and Investigations agreed to feed back.</p>	<p>Head of Audit and Investigation</p>	<p>Open</p>
<p>SEPTEMBER MEETING – Corporate Risk Register</p> <p>He [Councillor Newton] went on to question whether when the target date of a mitigation action was reached it was</p>	<p>Governance and Risk Manager</p>	<p>Open</p>

<p>anticipated that the risk and the target would be fully aligned. The Governance and Risk Manager indicated that there would be cases where the gap could not be fully mitigated. He would review how this was reflected to the Committee.</p>		
<p>SEPTEMBER MEETING – Corporate Risk Register</p> <p>Councillor Smith suggested that Planning fraud be listed as a type of possible fraud that a local authority could face.</p>	<p>Assistant Director Governance</p>	<p>Open</p>
<p>SEPTEMBER MEETING – Corporate Risk Register</p> <p>Councillor Harper queried the rating of the risk relating to Climate Change. The Chair suggested that this was linked to the wording of the risk. She queried what impact the recent change in Government policy around electric vehicles would have. The Chief Executive stated that the risk objectives would be further clarified.</p>	<p>CLT</p>	<p>Open</p>
<p>SEPTEMBER MEETING – Corporate Risk Register</p> <p>Members requested that all risk owners be identified in the key.</p> <p>The Governance and Risk Manager agreed to circulate information regarding the footnotes to Risk 4 Uncontrolled Development.</p>	<p>Governance and Risk Manager</p>	<p>Open</p>

Wokingham Borough Council

Audit progress update

November 2023

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Wokingham Borough Council
Audit Committee
Civic Offices
Shute End
Wokingham
RG40 1BN

13 November 2023

Dear Audit Committee Members

Audit Progress Report

Pleased find below our Audit Progress Report.

The purpose of this report is to provide the Audit Committee with an overview of the current status of the Council's audit status for 2021/22 and 2022/23. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

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

Yours faithfully,

Janet Dawson

For and on behalf of Ernst & Young LLP

Enc

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- 02 Progress Update - Council Value for Money

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Wokingham Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee, and management of Wokingham Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, and management of Wokingham Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Progress Update – Financial Statements of the Council



Status of the audit

2021/22 financial statements

Our audit planning report, issued in February 2023 identified the key areas of focus for our audit of the Council's 2021/22 financial statements. These have not changed as of the date of this progress report.

We have been working hard with officers to ensure the smooth delivery of the audit, setting up regular touch points and discussing the required working papers. We have also discussed the possibility of having an onsite presence at your offices during the audit and have agreed for the time being that we will only be onsite if we think that it will be beneficial as the audit progresses.

We have been progressing the audit well, with good engagement from officers in responding to the audit queries and samples being raised. We have been able to progress 50% of the audit into review and only 5% of tasks are yet to commence.

However, we have not been able to complete the audit in this time period mainly due to two key factors:

1. We have had performance issues with a specific member of staff which have come to light as we have been reviewing their work and continuing the testing that they had started. We are dealing with the performance issues internally. This has clearly had an impact on the audit progress as we have had to issue a number of updated samples as a result.

19 Ongoing discussions with the valuers and the Estates team to obtain the valuation information requested and required to complete our procedures.

We have been holding regular meetings with officers, who have been working with us to progress the valuations work as much as possible. We are now liaising directly with the Estates team, although progress is still proving difficult.

In discussion with officers, we have scheduled additional time to complete the audit in December, maintaining the same audit team that are currently working well with officers. Providing that we are able to obtain satisfactory responses in relation to the open valuations queries and any additional queries that are identified as we review any responses, this should still enable us to complete the audit by the end of December as planned, with the exception of our work over the IAS 19 disclosures. As with previous years, there is a delay in receiving the IAS 19 assurances from the auditors of Berkshire Pension Fund and at this stage, the auditors cannot provide us with a date of when they expect to be able to provide the assurances we require. We have requested that their programme of work includes testing of the membership to gain assurance over the triennial valuation of the pension fund as at 31 March 2022.

We are also liaising with officers regarding the accounting for the change in the group structure relating to the Optalis (Holdings) Limited group and the impact of this on the group financial statements.

2022/23 financial statements

We have continued to liaise with officers regarding the timeline for the 2022/23 audit. However, this is dependent on timely resolution of the 2021/22 audit, including receipt of a complete IAS 19 letter of assurance from Deloitte.

We issued our Group Instructions to Haslers LLP and Hazlewoods LLP in April 2023 as component auditors of WBC Holdings Limited and group and Optalis Limited, in advance of them completing their audit planning. We have held planning meetings with both of the component auditors and have arranged ongoing liaison to ensure we are kept up to date with the results of their audits.

We will update the Committee at the meeting on 29 November 2023 if there are any announcements by the Department for Levelling Up, Housing & Communities about the future timetable for delivery and proposed scope changes to local government audits.



20

02

Progress Update - Value for Money





Value for money

Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Audit Committee.

Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a requirement under the 2020 Code is for us to include the commentary on arrangements in the Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2021/22 VFM planning

Our assessment for the Council of the risk of significant weaknesses in the arrangements supporting each of the specified reporting criteria is under way. Our assessment will focus on a combination of:

- Cumulative audit knowledge and experience.
- Review of Council committee reports,
- Review of other documentary evidence available on the Council's website.
- Consideration of financial and performance reporting and outcomes for the year.
- Regular engagement with Council management.

To date we have not identified a risk of significant weakness from our regular meetings with management or attendance at the Audit Committee.

Status of our 2022/23 VFM planning

Our assessment for the Council of the risk of significant weaknesses in the arrangements supporting each of the specified reporting criteria is ongoing.

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TITLE	Corporate Risk Register Review
FOR CONSIDERATION BY	Audit Committee on 29 November 2023
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Enterprise Risk Management (ERM) provides for robust and transparent decision-making. Effective ERM is therefore an integral part of the Council's governance arrangements and helps demonstrate the effective use of resources and sound internal controls. The Council's Risk Management Policy and Guidance sets out the policy framework and formally guidance for officers to enable them to pro-actively identify and manage its risks.

RECOMMENDATION

The Audit Committee is asked to review the Corporate Risk Register (at Appendix A) to determine that strategic risks are being actively managed.

SUMMARY OF REPORT

The Corporate Risk Register has been revised by the officer Risk Management Group and Corporate Leadership Team and is shown at Appendix A.

There are 20 Corporate Risks on the register. (Numbers 11,12, 16 and 20 are no longer in use). All of these risks are above their target level of risk and the Council has identified actions to reduce the likelihood and/or impact of the risks.

The Council's top corporate risk is:

- Budget and financial resilience

Followed by:

- Cyber Security
- Adult Social Care supplier sustainability and sufficiency
- Outcomes and Costs for Children with SEND

The budget and financial resilience risk has increased significantly since the last review. The Council continues to face significant financial challenges from rising inflation, interest rates and demand for statutory services. The underlying spending pressures in excess of budget facing the Council are c£10m. However, there are significant levels of mitigating actions to deliver the current projected overspend position of c£3.6m. Forecast inflationary pressures in 2024/25 are £11.2m and despite the identification of significant savings, the current 2024/25 revenue budget gap is c£5m and the capital programme is c£35m with further pressures to come.

The Director of Place and Growth will present the report to the Committee noting that there has been an overall increase in risk faced by the Council since the last review of the risk register due to the increase in Risk 1 budget and financial resilience and those risks

with significant financial impacts such as Risk 5 children with SEND, Risk 21 Affordable Housing, and Risk 22 Unaccompanied Asylum-Seeking Children.

The local government sector continues to experience financial pressures with more authorities warning of the need to do issue S114 notices including the Royal Borough of Windsor & Maidenhead (RBWM), London Borough of Havering, and Somerset Council declaring a 'financial emergency.'

The Council has undertaken activity to support its risk horizon scanning and benchmark against other local authorities.

Since the register was last reported to Audit Committee in September 2023, the following risks have been escalated to the register.

- Waste Collection Change Project
- Procurement in Place & Growth

The report describes these risks and includes commentary on changes to existing risks.

Background

1.1 The Council's Constitution sets out the remit of the Audit Committee as follows regarding Risk Management:-

- To monitor the effective development and operation of risk management in the council;
- To monitor progress in addressing risk-related issues reported to the committee; and
- To review the assessment of fraud risks and potential harm to the council from fraud and corruption

Additional Information for Audit Committee

1.2 Following the Audit Committee's review in September, the presentation of the Risk Register has been enhanced by adding the projected date that risk will hit its target date. This projected date is an assessment based on current forecast information and could be subject to change in the external environment beyond the Council's control. The Council continues to hold significant levels of risk across its activities and while it is working hard to effectively reduce risk it is unable to eliminate risk in key areas.

Analysis of Issues

1.3 The following changes have been made to the Corporate Risk Register since the register was last presented to the Committee in September 2023

1.4 Update Risk no 1 - Budget and Financial Resilience

Along with many others in local government, the Council continues to face significant financial challenges from rising inflation, interest rates and demand for statutory services. Forecast inflationary pressures in 2023/24 are £10.9m, 2024/25 are £11.2m and for 2025/26 are £9.9m. The 2023/24 underlying spending pressures in excess of budget are c£10m. However, there are significant levels of mitigating actions to deliver the current projected overspend position of c£3.6m. This will continue to be closely monitored and further options will be explored as we move through the financial year to manage this position.

Extensive work continues across the Council to manage the 2023/24 budget pressures and setting the 2024/25 budget. Despite the identification of significant savings, the current 2024/25 revenue budget gap presented to Overview & Scrutiny is c£5m and the capital programme is c£35m with further pressures in future years.

This risk has therefore increased since September. There is significant interdependency with other risks on the corporate risk register. Risk 5 Children with SEND is having significant impacts on Home to School Transport budget, Risk 22 Unaccompanied Asylum-Seeking Children resulting in increased placement costs and Risk 21 on Affordable Housing Needs is being felt by increased demand and costs with Temporary Accommodation. Despite extensive mitigating actions the financial risk to the Council remains very high and will remain very high for the foreseeable future.

1.5 Update Risk 5 – Outcomes and Funding for Children with SEND

This risk has been updated to include the changes to the Ofsted SEND inspection regime and the complexity this adds to mitigating this risk. The Council is proactively reaching out to Local Authorities that have recently been inspected to learn lessons from them and has enhanced the SEND Inspection Readiness Working Group.

1.6 Update Risk 9 – Climate Emergency

The climate emergency risk has been reviewed following the Audit Committee's scrutiny at its last meeting. The risk has been reworded to reflect that the Climate Emergency Action Plan (CEAP) is able to move the Borough halfway towards achieving zero emissions by 2030. The delivery of the CEAP is a significant challenge but without supporting national policy, additional local powers, and resources, the Borough will not achieve zero emissions by 2030.

1.7 New risk no 23 – Place & Growth Directorate Procurement Activity

In 2026, significant contracts in Place and Growth covering Highways, Street Cleansing, Grounds Maintenance and Waster collection expire. There is a risk that these procurements fail to deliver value for money. Early engagement with procurement is mitigating this. The risk is likely to be medium term until the successful mobilisation of the contracts in 2026/27.

1.8 New risk no 24 Changes to Waste Collection

The changes to the waste collection service aim to reduce the amount of waste sent to landfill and thereby reducing financial costs and the impact on the climate. The success of the project relies on behaviour change from residents to reduce the amount of waste going to landfill. This is complex to achieve and involves changes for every household in the Borough. The Council has extensive engagement activity planned with residents to support them to make the behaviour change required. The risk is likely to be a medium-term risk with the changes coming into effect in August 2024 and success evaluated within six months.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision
Effective risk management mitigates financial risks associated with the Council achieving its objectives.

Cross-Council Implications
Risk management influences all areas of the Council – effective risk management is one of the ways assurances is provided that the Council’s key priorities and objectives will be achieved.

Public Sector Equality Duty
An Equality Impact Assessment is not required on the Corporate Risk Register. The impact on Equality is assessed in the impact of each risk.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030
The effective management of risk supports the achievement of this important priority

Reasons for considering the report in Part 2
Not applicable.

List of Background Papers
Corporate Risk Register – November 202

Contact Andrew Moulton, Paul Ohsan Ellis	Service Governance
Telephone No Tel: 07747 777298, Tel: 0118 974 6096	Email andrew.moulton@wokingham.gov.uk, paul.ohsan.ellis@wokingham.gov.uk

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Appendix A - Corporate Risk Register

November 2023

Current Assessment	Very High	High	Medium	Low
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Impact

				1
29		17, 21, 22	7, 8, 9, 5	
		3, 4	14	
	19	6, 15	2, 18	
		23, 24	10, 13	

Likelihood

Ref	Risk
1	Budget & Financial Resilience
2	Corporate Governance
3	Workforce
4	Uncontrolled Development (Local Plan Update)
5	Outcomes & Costs for Children with SEND
6	Health & Safety
7	ASC Supplier Sustainability and Sufficiency
8	Cyber Security
9	Climate Emergency
10	Major Emergency Response (e.g. Pandemic)
13	Adult Safeguarding
14	Children's Safeguarding
15	Resources to support emerging communities
17	Mainstream Education Provision
18	Magnitude of change for 2024 Elections
19	Information Governance
21	Local Affordable Housing Needs
22	Support for Unaccompanied Asylum Seeking Children
23	Significant Procurement Activity P&G (2026)
24	Waste Collection Changes

Key to Abbreviations

SC - Cllr Stephen Conway, Leader of Council and Executive member of housing
PB - Cllr Prue Bray, Deputy Leader and Executive member for children's services
CJ - Cllr Clive Jones, Executive member for business and economic development
RBF - Cllr Rachel Bishop Firth, Executive member for equalities, inclusion & fighting poverty
LF - Cllr Lindsay Ferris, Executive member for planning and the local plan
SK - Cllr Sarah Kerr, Executive member for climate emergency and residents services
IS - Cllr Ian Shenton, Executive member for the environment, sports and leisure
PF - Cllr Paul Fishwick, Executive member for active travel, highways and transport
DH - Cllr David Hare, Executive member for wellbeing and adult services
ISD - Cllr Imogen Shepherd-Dubey, Executive member for finance

SP Susan Parsonage, Chief Executive
GE  Graham Ebers, Deputy Chief Executive & Director of Resources & Assets
SW Sally Watkins, Chief Operating Officer (COO)
HW Helen Watson, Director of Children's Services
GF Giorgio Framaliccio, Director of Place & Growth
MP Matt Pope, Executive Director Children, Adults and Health
AM Andrew Moulton, Assistant Director Governance & Monitoring Officer
GC Graham Cadle, Assistant Director Finance
LL Louise Livingston, Assistant Director Human Resources and Organisational Design
TS Trevor Saunders, Assistant Director, Planning
JW Jackie Whitney, Assistant Director, Customer and Change
RH Rhian Hayes, Assistant Director Economy and Housing
FH Francesca Hobson, Assistant Director Environment and Safety

Key Priorities (from Community Vision and Council Plan)

1. Safe, strong communities
2. Enriching lives
3. Right homes, right places
4. Keeping the Borough moving
5. A clean and green Borough
6. Changing the way we work
7. Be the best we can

MZ Ming Zhang, Assistant Director Education and SEND
SM Sarah Morgan, Assistant Director Commercial Property
MD Mark Douglas, Children's Services
AD Adam Davies, Assistant Director Social Care and Early Help

Key Priority at Risk: Community Vision

Owner

Change

1

RISK: Budget and financial resilience

ISD

GE

Increase

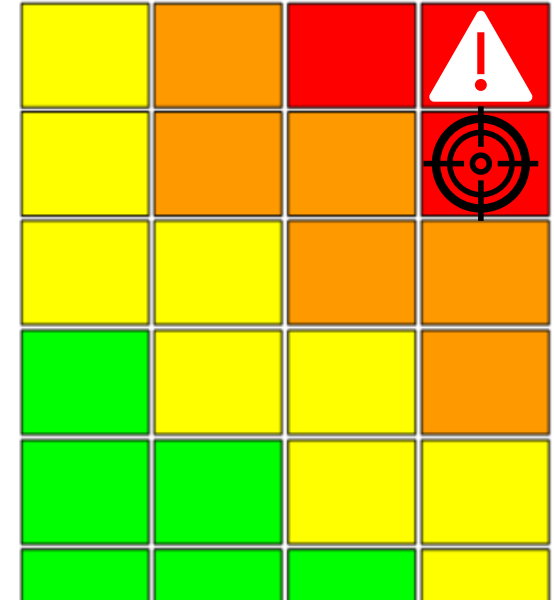
Due to significant increased costs (including inflation and national minimum wage), loss of income, increased cost of borrowing and/or non-realisation of forecast savings and increased demand for services due to the cost of living there is a risk that the Council is unable to finance its current services resulting in a reduction in reserves, cuts in services, failure to meet statutory duties, and if unchecked a Section 114 notice.

Existing Controls:

31

- CFO report (Jan Executive)
- Financial and Contract Regulations (section 12 & 13 constitution)
- Budget Monitoring (Revenue & Capital)
- Strategic Approach to Capital Investment (Capital Strategy & Treasury Management Strategy)

- Internal Audit Annual Report
- Annual External Audit of Accounts
- Overview and Scrutiny consideration of 23/24 budget
- Cipfa Code of Financial Management Review



Current Risk Target Risk on Target

Mitigating Actions	Owner	Date	Status
Overview & Scrutiny Budget Overview including reserve position	GC	2 October 2023	Complete
Sign off of Annual Accounts 2021/22 (depends on external audit of pension fund)	GC	February 2024	At risk
Constitution Review of financial, governance and procurement regulations	AM	March 2024	Some issues
Internal Audits of financial systems	GC	March 2024	On track
Review of capital programme and associated monitoring (Gold Group)	GC	March 2024	On track
Review of Cipfa Code of Financial Management action plan	GC	November 2024	Some issues
Review of the councils overall financial standing and reserves	GC	November 2024	On track

Key Priority at Risk: Community Vision

2

RISK: Corporate Governance

Governing effectively to ensure achievement of the Council's purpose and priorities within the resources available and achieving value for money. Without effective corporate governance, there is a risk that through unethical behaviour or ineffective decision-making, residents lose trust in the way the Council undertakes and carries out its duties.

Existing Controls:

Community Vision and Corporate Delivery Plan
Local Code of Corporate Governance
Constitution (i.e. Council rules of procedure, conduct and compliance, anti fraud & corruption policies)
Annual Governance Statement
Key Performance Indicator Reporting (OSMC) and Annual Report

Risk Management Policy & Guidance
Audit Committee Review of Risk Register
Internal Audit Annual Report
External Audit Management Letter
Standards Committee Annual Report
Overview & Scrutiny Annual Report
LGA Corporate Peer Challenge & Follow up visit
Governance Dashboard

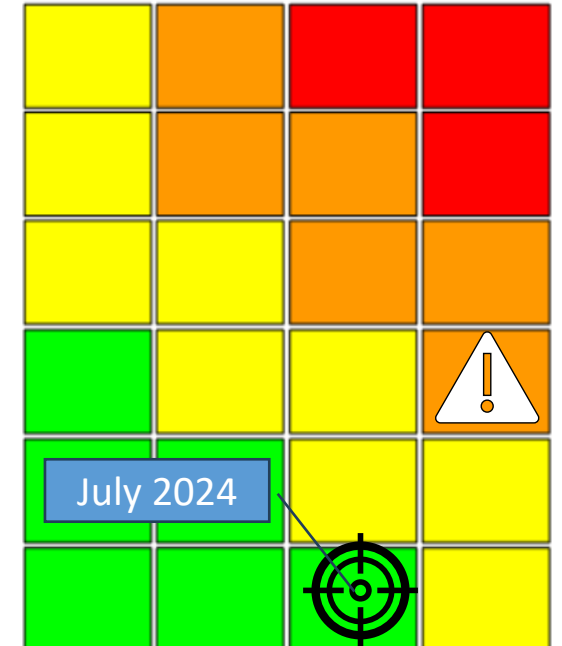
Owner

Change

SC

SP

None



⚠️ Current Risk 🎯 Target ✅ Risk on Target

32

Mitigating Actions

Mitigating Actions	Owner	Date	Status
Interim Council Plan	SP	November 2023	On track
Review of phase 1 of the Council's Constitution	AM	March 2024	Some Issues
Assurance Framework presented to Audit Committee	AM	February 2024	On track
Community Vision agreed with Partners	SP	July 2024	On track
Annual Governance Statement	AM	July 2024	On track

Key Priority at Risk: Community Vision, Safe, Strong Communities & Enriching Lives

3

RISK: Workforce

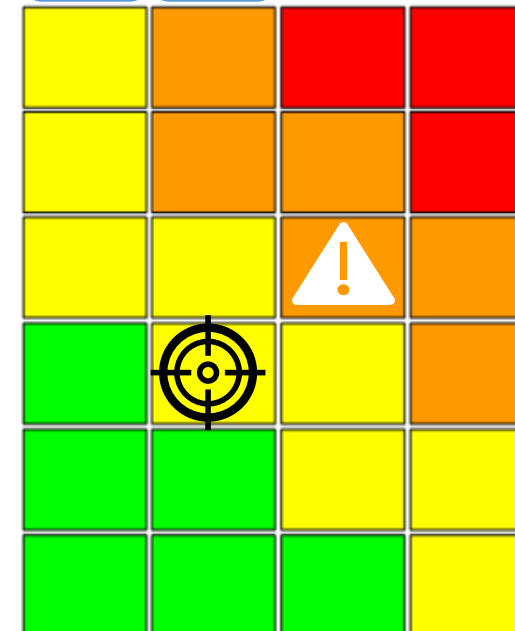
Due to the national challenges in recruiting and retaining permanent staff with the right levels of skills, competence and experience, there is a risk to the council's ability to deliver its community vision and statutory responsibilities, which could, if not managed lead to fines, reputational risks and harm to residents.

Existing Controls:

- Annual Performance Regime
- HR Hub
- Reward and Recognition
- Training Budgets
- Recruitment Specialists
- Corporate Agency Contract

- Workforce Dashboard and Establishment reporting
- IT systems (BWO, Applicant Tracking and Learning Management)
- Mandatory Training
- Learning & Organisational Development Functions

Owner		Change
RBF	SW	None



Warning Current Risk Target Risk on Target

33

Mitigating Actions	Owner	Date	Status
Engage with stakeholders to undertake HR policy review with implementation and training programme set up to support review	LL	End Jun 24	On track
Engagement with stakeholders to write the People Strategy	LL	End Mar 24	On track
Review of all Recruitment processes	LL	End Jan 24	On track
Leadership Learning programme in development	LL	End Jan 24	Some issues

Key Priority at Risk: Right Homes, Right Places

4

RISK: Uncontrolled Development - Local Plan Update

Without effective planning policies, there would be no real control or influence over where and how new housing and other types of development take place. This could lead to housing and other forms of development being allowed in poor locations, being of lower quality, and in places where infrastructure cannot be improved to help deal with the impacts.

Existing Controls:

- Timetable for adoption of new Local Plan in place but needs to be reviewed
- Resources allocated and kept under review
- Cross party planning policy working group reconstituted following election of new administration

- O&S regular update on LPU progress
- Revised growth strategy consulted upon in November 2021 – January 2022
- Monitoring housing developments and five-year land supply

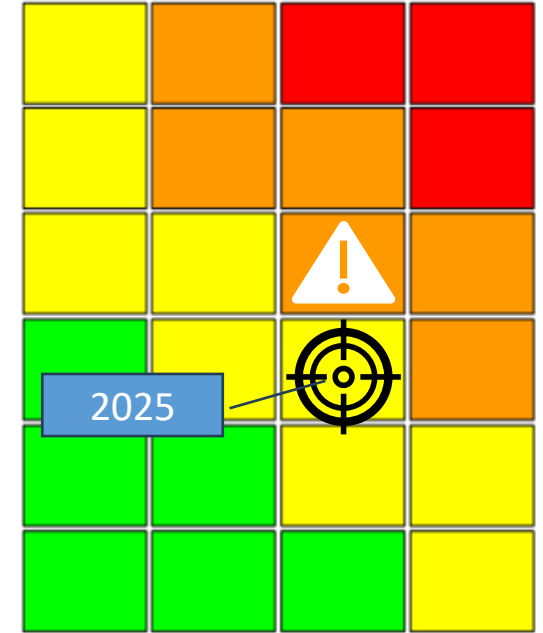
Owner

Change

LF

GF

None



⚠ Current Risk 🎯 Target ✅ Risk on Target

34

Mitigating Actions/Key Milestones

Next local plan consultation stage (Regulation 19)
Submission of Local Plan Update to Government

Owner

Date

Status

TS

November 2023

On track

TS

June 2024

On track*¹

Inspector examination

TS

August 2024 – Jan 2025

On track

Adoption of LPU

TS

December 2025

On track*²

1. Revised national planning policy framework- expected this autumn- (no particular timings) affecting the council action.

2. Delay in earlier stages could delay the legal process later.

Key Priority at Risk: Enriching Lives & Safe, strong communities

5

RISK: Outcomes and Costs of Provision for Children with SEND

Due to increased demand and complexity (and expanded inspection regime) there is a risk that there are insufficient funds to ensure Children with SEND's needs are met without further overspend on the High Needs Block (£10m+) and the related transport costs, risking a substantial impact on the Council's finances.

Existing Controls:

- Childrens' Services Overview & Scrutiny
- Collaboration with SEND Voices & SENDIASS Wokingham
- Monitoring and Forecasting of Need and Demand
- Gold & Silver Monitoring and Direction Meetings Weekly
- Learning from other Local Authorities (Safety Valve & Ofsted Inspected Authorities)
- SEND Inspection Readiness Working Group

- Improved relationships with providers
- Weekly meetings with DfE SEND Advisor
- Deficit Reduction Plan
 - Expansion of Addington School
 - Winnersh Farm School (Oak Tree)
 - PRU improvement
 - Resource Base & SEND Unit review
 - Successful School Bids (x2)
- SEND Improvement Board

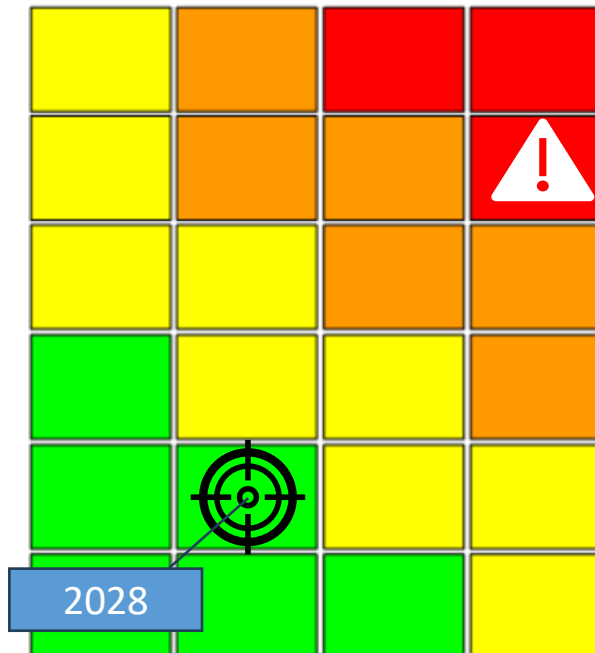
Owner

Change

PB

HW

None



2028

⚠️ Current Risk 🎯 Target 🏆 Risk on Target

35

Mitigating Action	Owner	Date	Status
Launch of interim Specialist Outreach Model for Early Intervention (full model in development)	MZ	September 2023	Some Issues
New SEN Resource Bases open	MZ	September 2024	On track
New Post 16 Pathways open	MZ	September 2025	On track
Two new Special Free Schools Open	MZ	September 2026	On track
Two new Special Free School full	MZ	September 2028	On track

Key Priority at Risk: Enriching Lives & Safe, Strong Communities

6

RISK: Health & Safety

Due to insufficient capability, capacity and awareness there is the risk that the Council does not meet its statutory duties in key areas leading to avoidable harm, litigation, fines, corporate manslaughter and reputational damage.

Existing Controls:

- Health & Safety Statutory policies in place
- Strategic Plan to identify continuous improvement “Seeking Assurance” programme (two yearly)
- Health & Safety specialist advisers in place

- Incident Reporting System
- H&S Board established

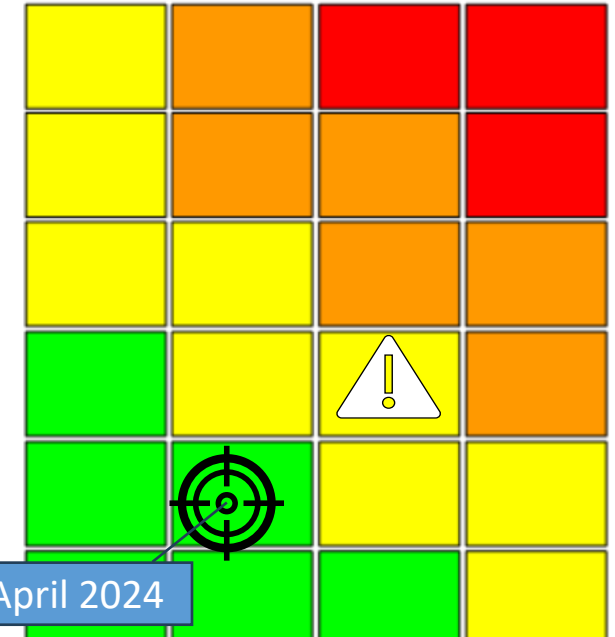
Owner

Change

RBF

SP

None



Warning Icon Current Risk Target Risk on Target

36

Mitigating Action

Commissioning an external peer such as the British Safety Council to review our H&S compliance and support overall focus and direction

Owner

Date

Status

LL

November 23

On track

Refine H&S key performance indicators

LL

December 23

On track

Health and Safety Board implements an annual safety improvement action plan

GE

April 24

On track

Key Priority at Risk: Enriching Lives & Safe, Strong Communities

7 RISK: Adult Social Care Supplier Sustainability and Sufficiency

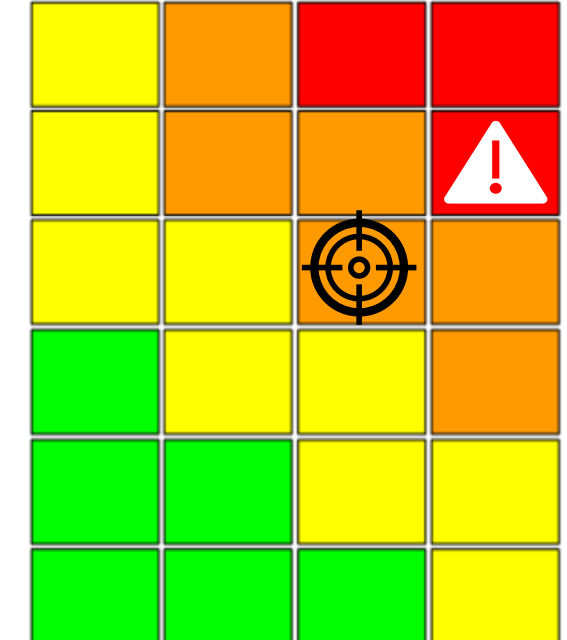
Due to increasing needs of our local older and disabled people population demand is increasing, placing the social care system under huge strain. It is acknowledged that nationally that there has historically been insufficient funding within the care sector to meet the challenges faced by our local care providers. The lack of a permanent, sustainable funding deal are further exacerbated by external factors including the cost-of-living crisis, inflationary pressures and workforce pressures impacting on capacity within the sector leading to a high level of instability within the social care market. There is a risk that a provider may fail, that we are carrying more statutory risk and higher waiting lists, or that we are unable to source care good quality, suitable care for a vulnerable resident. There have been recent provider failures in 2023 and more packages of care handed back by providers. Not only is this impacted on our finances but if the risk continues, it is expected to also have an impact on the quality of care delivered.

Existing Controls:

- Care Capacity Tracker monitoring and targeted action taken as required
- Lobbying of MPs and Government
- Workforce Strategy workstreams in place
- In-house provision (via Optalis) is seen as one of our best opportunity to control costs and managing sufficiency within the local market

- Quarterly provider forums
- Early warning flags identified for key providers
- Offered commissioned providers a 7% (capped so that rates did not go above acceptable threshold) uplift in 2023/24
- Allocation of existing government grants
- Market Sustainability Plan published

Owner		Change	
DH	MP	None	



Warning Current Risk Target Risk on Target

Mitigating Action

Mitigating Action	Owner	Date	Status
Continue to work with the sector to ensure that commissioning arrangements are fit for purpose	MP	March 24	On track
Routine monitoring of providers sufficiency with support provided as required, and monthly reviews to assess any wider action required. Contingency planning in place to address any significant issues raised by care providers. Action to remain in place for the remainder of the year and reviewed regularly	MP	March 24	On track

Objective at Risk: Community Vision

Owner

Change

8

RISK: Cyber Security

SK

SW

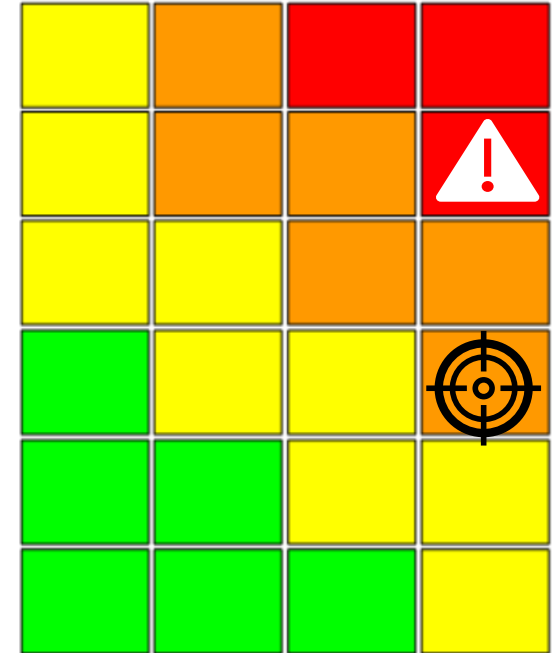
None

Due to an external cyber attack (Ransomware) there is a risk of unavailability of key information and/or disclosure of personal sensitive data causing inability to deliver services, increased costs, fines, reputational damage and loss of trust.

Existing Controls:

- Cyber security response team BCP
- Public Service Network Accreditation (expires 2024)
- Independent penetration testing (annual)
- Information Security and Acceptable Use Policy
- Encrypted and patched equipment
- Cyber security awareness campaign
- Internal Audit
- Internal Data & Information Governance Board
- Security monitoring and response

- Routine & Emergency patching and firewall configuration (increased frequency)
- Following NCSC Board Toolkit Action Plan
- Membership of the South East Warning Advisory Group
- Cyber Incident Plan
- Cyber Response Partner
- SEIM and SOC
- Simulated phishing attack programme
- CLT Cyber Security Leadership Briefing



Warning Current Risk Target Risk on Target

38

Mitigating Action	Owner	Date	Status
Cyber incident plan to be created and made operational	LL	June 23	Complete
Internal Audit Action Plan Implementation	LL	June 23	Complete
Commence work on Cyber Essentials Plus or Future Networks 4 Government (FN4G) Accreditation dependant on decommissioning of PSN	LL	Jan 24	Continuing with PSN
Internal simulated phishing campaign	LL	Oct 23	On track

Objective at Risk: A clean and green borough

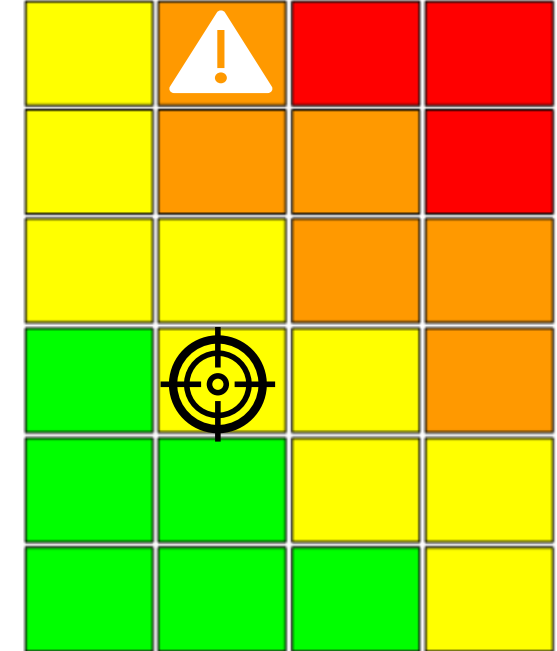
Owner

Change

SK

GF

None



Warning (Exclamation mark) Current Risk Target (Bullseye) Risk on Target (Checkmark)

9

RISK: Failure to achieve Carbon Neutrality by 2030

Due to the lack of resources, national policy framework, and complexity of behaviour change required, there is a risk that the Borough is unable to meet its carbon reduction aspirations leading to a failure of the Borough to deliver its contribution to climate change reduction.

Existing Controls:

- Climate Emergency Action Plan
- Annual CEAP progress report to Council.
- Monitoring groups to discuss CEAP progress, remove delivery barriers and assess further carbon reduction opportunities.

- Climate Emergency O&S Committee

39

Mitigating Action

Fourth annual progress report on delivery of the Climate Emergency Action Plan to Council

RH

Sept 2024

Some issues

Lobbying national government for additional resources and powers to support the Borough's transition to carbon neutrality.

RH

Jan 2025

At Risk

Objective at Risk: Safe, Strong Communities

10

RISK: Major Emergency Response (e.g. Pandemic)

Due to an unlikely but high impact major emergency the Council is required to lead a large-scale community response leading to impact on business as usual and requirement to focus resources on key priorities.

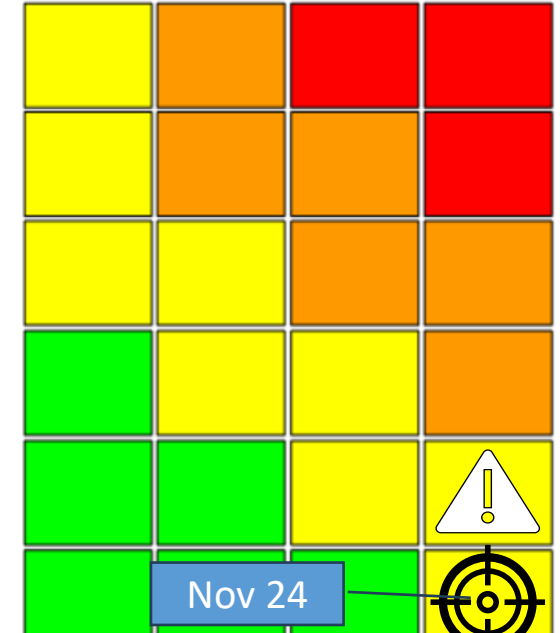
Existing Controls:

40

- Emergency plan and Council-wide Business Continuity Planning
- Learning from Overview & Scrutiny review of Covid response
- In-house Emergency Planning Service

- Gold, Silver and Bronze response structure
- Seasonal business continuity training and plan updates
- Delivering training for gold, silver and bronze

Owner		Change	
SC	SP	None	



Current Risk
 Target
 Risk on Target

Mitigating Action	Owner	Date	Status
Silver command restructure	FH/SB	September 2023	Complete??
Service level review of Emergency Planning by neighbouring authority and/or Emergency Planning College	SB	November 2023	On track
Reviewing key emergency plans (including major incident plan)	FH/SB	November 2023	On track
Creation and implementation of revised business continuity programme	FH/SB	November 2024	On track

Key Priority at Risk: Enriching Lives & Safe, Strong Communities

13

RISK: Failure to meet statutory duties (Safeguarding Adults)

Due to insufficient capability/capacity, there is the risk that the Council does not meet its safeguarding responsibilities for adults leading to avoidable harm, litigation, fines and reputational damage. There is risk associated with the change in legislation for Liberty Protection Safeguards (LPS) as the plans have not yet been confirmed and the demands on the system are not yet fully known.

41

Existing Controls:

- Adult Safeguarding Hub (ASH)
- Pan Berkshire Policies and Procedures
- ASH new proportionate and person-centred processes and pathway
- ASH fully staffed and dedicated Admin
- Effective relationships embedded with key partners and forums
- Management and supervision

- Staff training and awareness
- Berkshire West Safeguarding Board
- Care Governance Quality Assurance
- Risk Assessment for Safeguarding complete
- Joint working between HoS and PSW
- Quality Assurance Framework in place
- Health Overview & Scrutiny Committee

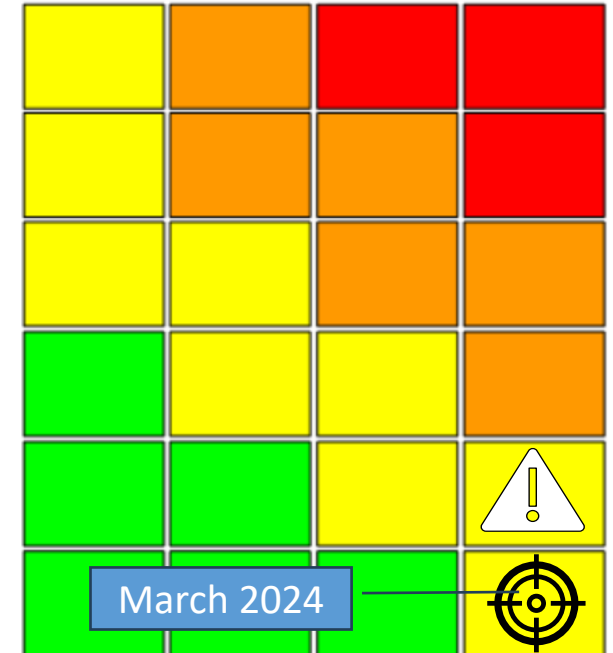
Owner

Change

DH

MP

Increase



March 2024



Current Risk



Target



Risk on Target

Mitigating Action

ASC workforce strategy and delivery of action plan being driven through a number of workstreams

Owner

MP

Date

March 24

Status

On track

Key Priority at Risk: Enriching Lives & Safe, Strong Communities

14

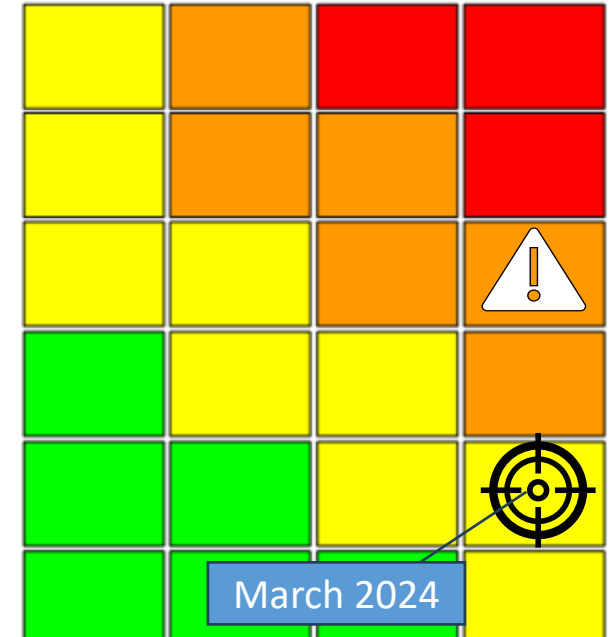
RISK: Failure to meet statutory duties (Safeguarding Children)

Whilst it is recognised that the risk of harm to children and young people can never be completely eliminated, if sufficient controls are not in place, there is a risk of avoidable harm to children leading to litigation, fines and severe reputational damage to the Council.

Existing Controls:

- Scrutiny by the Children's Services O&S Committee
 - Scrutiny from the BWSCP Child Protection Procedures and Safeguarding Partnership
 - Social work practice development through the Learning & Development Programme
 - Quality Assurance Framework
 - Case Reviews & Audits
 - Robust Policies and Procedures
 - Clear Practice Framework
 - Staff Supervision, challenge and support
- Manageable caseloads
 - ASYE recruitment programme to build social worker pipeline and ensure sufficient capacity.
 - Additional Assistant Team Managers to support supervision
 - Practice consultants/assistants to support practice quality
 - Use of locum staff to fill gaps in workforce as required
 - Flexible approach to additional posts as required to meet increase in demand
 - Monitoring demand & caseloads, ensuring swift review of staffing needs

Owner		Change	
PB	HW	None	



Current Risk
 Target
 Risk on Target

42

Mitigating Action	Owner	Date	Status
Practice Improvement Programme for Children's Services	MD/AD	March 24	On track
Review of QA Framework to ensure appropriate challenge and identification of emerging risks at the earliest stage	MD	March 24	On track
Recruitment and Retention programme to ensure sufficient capacity and capability	VEK	March 24	On track
Ofsted Improvement Plan Implementation	MD	March 24	On track

Key Priority at Risk: Safe, Strong Communities

15

RISK: Resources to support emerging communities

Due to insufficient resources, there is the risk that the Council is unable to meet the needs of Ukrainian's, Hong Kong nationals, and refugees from other countries leading to escalation of needs, ineffective support and damage to community cohesion.

Existing Controls:

- Refugee team set up which monitors emerging needs and safeguarding
- A collaboration with Voluntary Sector and Partners to ensure a coordinated approach.
- Child and Adult Safeguarding to protect vulnerable people
- Ensure all grants are claimed for Ukrainian and Afghan refugees
- Educational provision for children and support for adults for employment and benefits

- Caseworkers in place to liaise with hosts and Ukrainian guests.
- Contingency arrangements in place to prevent and respond to relationship breakdown between hosts and guests.
- Links established with Ukraine Centre in Reading.
- Co-produced social inclusion and activity programme with voluntary sector.

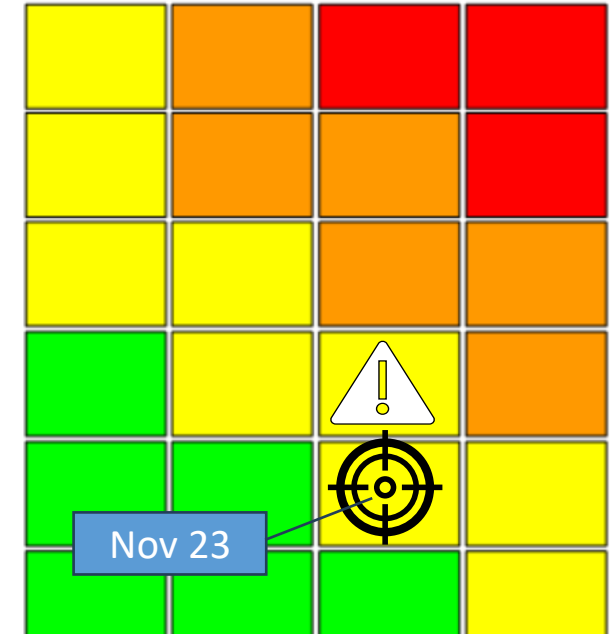
Owner

Change

SC

GF

None



Nov 23

⚠️ Current Risk 🎯 Target ⌚ Risk on Target

Mitigating Action

Delivery of 17 dwelling capital programme to provide a range of family sized accommodation for Ukrainian and Afghan refugees *9/17 properties completed and purchase offer agreed on rest.

Owner

Date

Status

RH

November 2023

On track

Implementation of social inclusion and activity events programme

RH

Recurring

On track

Key Priority at Risk: Enriching Lives

17

RISK: Mainstream Education Provision

Due to (a) increased numbers of children moving into the borough including international arrivals (Hong Kong nationals and Ukrainian children) in both primary and secondary phases; (b) peak primary rolls passing into the secondary sector; (c) too few places for girls (secondary phase); and withdrawal of capital funding for school place expansion there are risks of (i) a breach in statutory place sufficiency duty and (ii) new capital programme requirements.

Existing Controls:

- Primary Strategy 2018 to 2028
- Secondary Strategy 2022
- Forest School to become Co-Ed
- SCAP annual statutory places return to DfE
- Annual update of roll projections
- Regular reports to Children's Services O&SC
- Regular Leadership Team updates
- 'Gold' governance arrangements in place

- Fair Access Protocol
- Regular item at BEP meetings
- Regular meetings with Finance team
- Engagement with schools on additional places
- Relationships with neighbouring boroughs
- Portal based admissions tracking (LA and Schools)

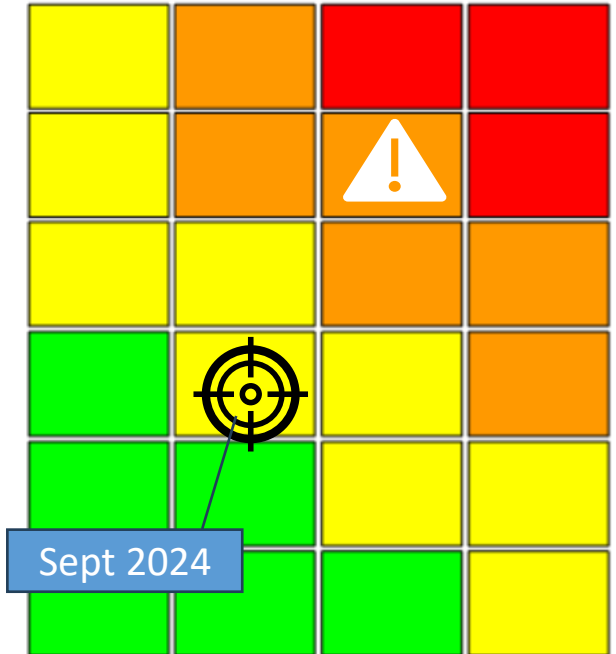
Owner

Change

PB

HW

None



Sept 2024

⚠ Current Risk 🎯 Target ✅ Risk on Target

Mitigating Action	Owner	Date	Status
Secondary place strategy school level expansion plans in preparation	MZ	Sept 2023	Complete
Development of Business as Usual annual school place planning cycle	MZ	December 2023	On track
Engagement with Schools on additional places (above PAN)	MZ	Sept 2024	On track

Key Priority at Risk: All

18

RISK: Magnitude of change for 2024 Elections

Due to the potential combination of all-out Borough and Parliamentary (two constituencies) with new polling districts, PPC elections and the implementation of the Elections Act , there is a risk of significant additional administrative burdens resulting in delays to voting, disenfranchisement of some voters, breach of duty, legal challenge, reputational damage, Parliamentary, Borough and/or Parish Councils without democratic legitimacy and potential re-run of elections.

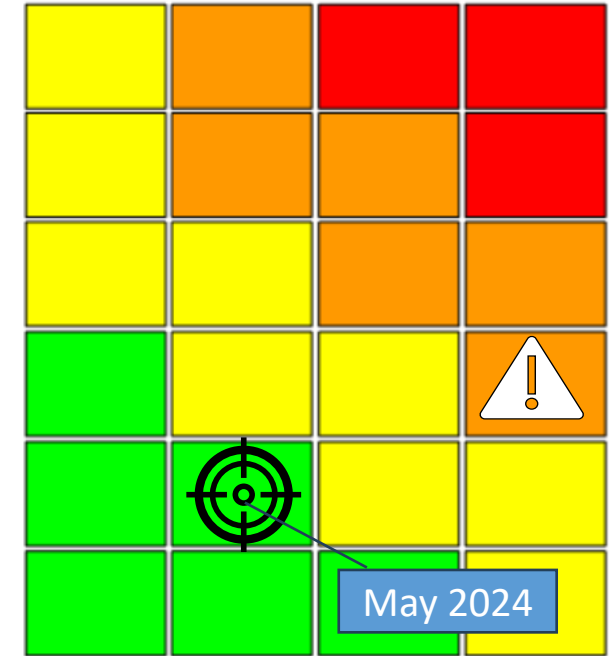
Existing Controls:

45

- Guidance from Electoral Commission for electoral administrators and support from Association of Electoral Administrators (AEA)
- National publicity scheme by Electoral Commission (from Jan 2024)
- Additional Government funding received to support implementation of Voter ID
- Dedicated implementation risk register
- Overall project plan for 2024 elections including parliamentary contingency
- Information publicised on Council website

Owner: **ISD** **AM** **New**

Change



⚠️ Current Risk 🎯 Target ✅ Risk on Target

Mitigating Action	Owner	Date	Status
Association of Electoral Administrators (AEA) health check review	AM	November 2023	On track
Polling Places Review	AM	January 2024	On track
Resource planning	AM	March 2024	On track
Communication of electoral commission changes	AM	Jan – May 2024	On track

Objective at Risk: Community Vision

19

RISK: Information Governance

Due to gaps in information governance arrangements and inability to support IT solutions for data retention and deletion (e.g. Mosaic), there is a risk of disclosure of personal sensitive data, and unlawful data retention resulting in individual distress, fines, reputational damage and loss of trust. Subject Access Requests (SARs) not being met resulting in fines, reputational damage and loss of trust.

Existing Controls:

- Internal Data and Information Governance (DIG) Board
- Mandatory training for new and existing staff
- Information Security and Acceptable Use Policy
- Encrypted equipment
- Secure email
- Document marking scheme

- Performance Monitoring
- Incident Reporting
- Membership of Berkshire DPO Group
- Information Governance Toolkit Assessment
- Guidance from the ICO
- SAR Policies and Procedures
- Monitoring SAR Caseloads
- SAR Reporting into CS Directorate Leadership Team

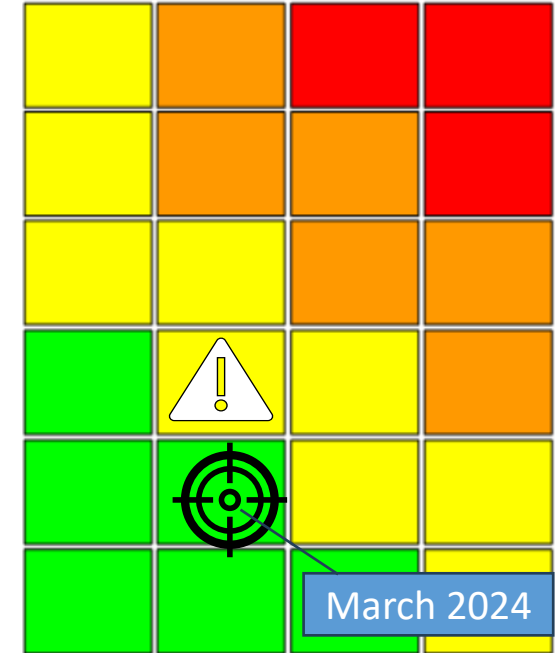
Owner

Change

ISD

GE

None



March 2024

Warning icon Current Risk Target icon Risk on Target icon

46

Mitigating Action	Owner	Date	Status
Information Security & Acceptable Use Policy update	AM	March 2023	Overdue
Implementation of demand management opportunities to reduce SAR requests in children's services	HW	December 2023	On track
Implementation of Information Governance Toolkit Assessment	AM	March 2024	Some issues

Key Priority at Risk: Right Homes, Right Places

21 RISK: Meeting Affordable Housing Need

Due the Council or partners delaying or abandoning pipeline projects as well as private developer sites failing to come forward, in turn providing fewer affordable housing contributions, there is a risk there will be insufficient stock to meet Specialist and General Needs accommodation needs leading to increased pressures on the Council's budgets particularly in Place and Growth, Adults Social Care and Children Services as well as poorer outcomes for residents.

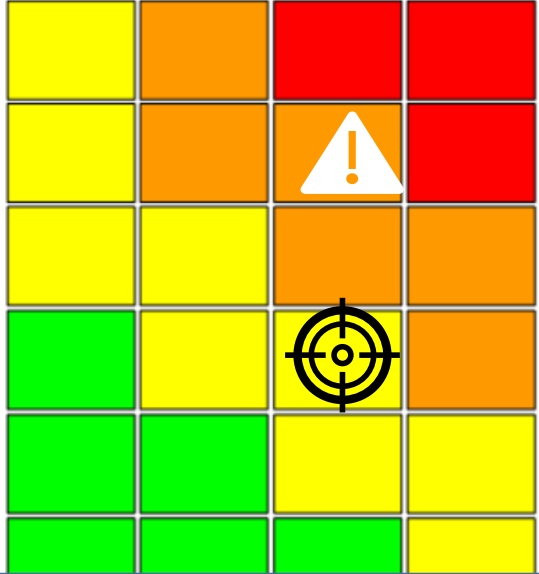
Existing Controls:

47

- Maximising developer contributions in both on-site delivery and S106 commuted sums
- Accessing external grant opportunities through Homes England etc.

- Ensuring pipeline of development for specialist housing
- Assess opportunities in HRA

Owner: SC, GF
Change: Increase



Warning Current Risk Target Risk on Target

Mitigating Action	Owner	Date	Status
Understand the financial implications of not delivering sufficient accommodation on Council services and looking for opportunities to create savings through increased delivery	RH	October 2023	Complete
Silver groups has been set up to look at the most urgent housing priorities and senior professionals(specialist) workshops being organised to tackle short term housing matters. (Link to Risk 22)	RH	December 2023	On track
Setting the Council's strategic direction through development of new Housing Strategy, Homelessness and Rough Sleeping Strategy and Young People's Housing Strategy with an emphasis on addressing housing need for priority groups	RH	November 2024	On track
Draft Planning policy change to increase the standard and size of affordable housing to met the needs of all residents of the borough including those with additional physical needs	RH	TBC	Some Issues

Key Priority at Risk: Safe, Strong Communities

22

RISK: Support for Unaccompanied Asylum Seeking Children

Due to insufficient central government funding and in-Borough provision there is a risk that the Council is unable to provide support and local placements for Unaccompanied Asylum-Seeking Children (UASC), including a significant increase in the cost of statutory accommodation for Care Leavers as UASCs reach the age of 18 leading to increased costs and long-term impacts on vulnerable children and young people.

Existing Controls:

Ensure all grants are claimed for UASCs Silver Group to identify resources to meet the need.

48

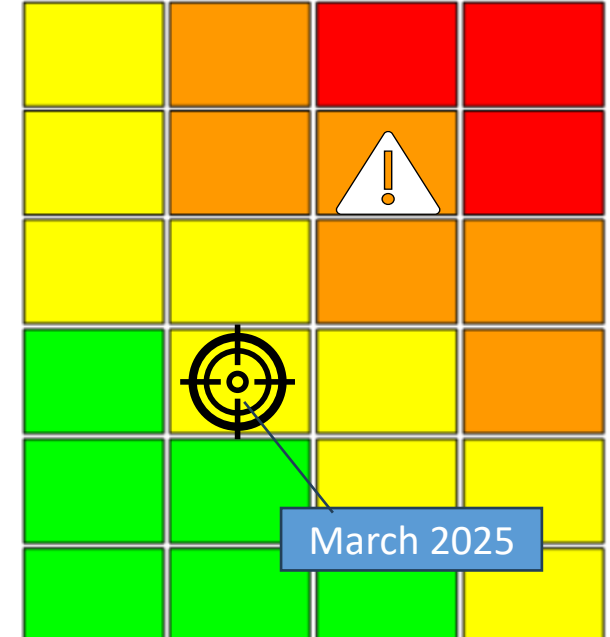
Owner

Change

PB

HW

Increase



Warning Current Risk Target Risk on Target

Mitigating Action

Project to Maximise Culturally-Suitable In-House Fostering for UASC.

Care Leaver Target Operating Model Project: Aim is to create accommodation costing no more than the £270 per week per young person provided by the government including: Supported Accommodation; Affordable and Local Semi-Independent Accommodation; Houses of Multiple Occupancy for those with unresolved status.

Owner

Date

Status

HW

September 24

Complete??

HW

March 25

On track

Objective at Risk: Keeping the Borough Moving/Clean and Green Borough

24

Key Front Line Services Re-procurement

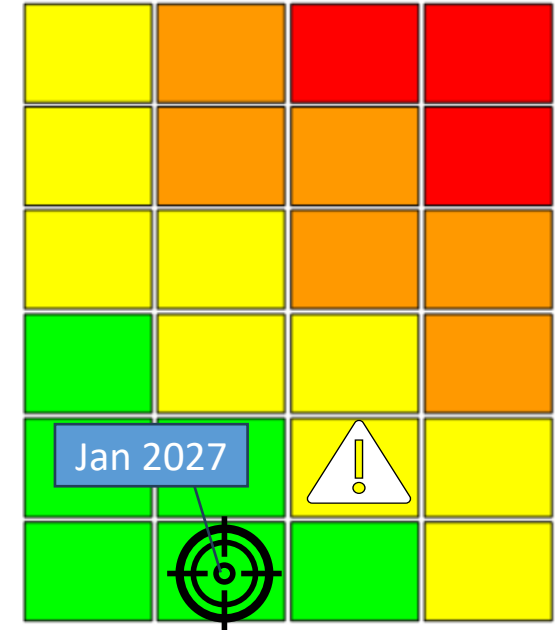
Due to significant Place and Growth Contracts expiring in 2026 (Highways & Street Cleansing, Grounds Maintenance & Waste Collection) there is a risk that contracts are not procured correctly and in time leading to poor service delivery and additional costs.

Existing Controls:

Working groups established.
Papers being produced to either recommend extension or re-tender.
Market days held with Contractors.
Briefing to Portfolio Holders held.

Review of Governance arrangements in place and agreed.
Project plans in place.

Owner Change
PF/IS GF New



⚠️ Current Risk 🎯 Target ⚙️ Risk on Target

49

Mitigating Action	Owner	Date	Status
Central working group to be formed including Procurement and Service Areas to ensure contracts are ready for 2026	CE/SB	October 2023	Complete
MTFP being submitted to support external expertise on key projects	SB/PRJ	November 2023	On track

Objective at Risk: Keeping the Borough Moving

25

Change in waste collections (2024)

Due to the 2024 bin collection change, there is a risk that financial costs/reputational damage might occur if the project is not delivered correctly or in time.

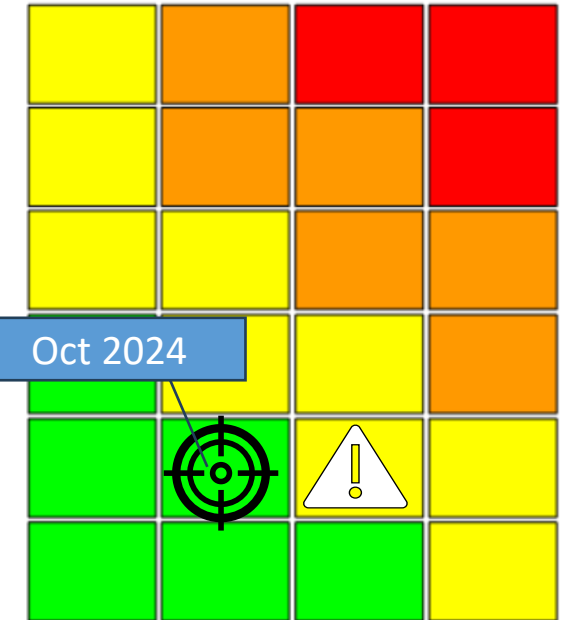
Existing Controls:

- a) Project governance established
- b) Business Case and PID complete
- c) Wheeled bin procurement complete
- d) Wheeled bin delivery procurement awarded

- e) Continued engagement with specialist external waste consultant
- f) Comms engagement started internally

Owner: **IS** **GF** **New**

Change



Current Risk
 Target
 Risk on Target

50

Mitigating Action	Owner	Date	Status
Robust comms campaign & Member engagement	SB	October 2023	Complete
Robust planning and monitoring of costs/savings	SB	June 23- Oct 24	Ongoing
Identify residents that require assisted collection/larger bins/restricted access	SB	November 2023	On track
Recruitment of outreach officers	SB	December 2023	On track

Likelihood

51

Score	Level					Description
6	Very High	Certain.	>95%	Annually or more frequently	>1 in 10 times	An event that has a 50% chance of occurring in the next 6 months or has happened in the last year. This event has occurred at other local authorities
5	High	Almost Certain. The risk will materialise in most circumstances.	80 – 94%	3 years +	>1 in 10 – 50 times	An event that has a 50% chance of occurring in the next year or has happened in the past two years.
4	Significant	The risk will probably materialise at least once.	50 – 79%	7 years +	>1 in 10 – 100 times	An event that has a 50% chance of occurring in the next 2 years or has happened in the past 5 years.
3	Moderate	Possible the risk might materialise at some time.	49 – 20%	20 years +	>1 in 100 – 1,000 times	An event that has a 50% chance of occurring in the next 5 or has happened in the past 7 years.
2	Low	The risk will materialise only in exceptional circumstances.	5 – 19%	30 years +	>1 in 1,000 – 10,000 times	An event that has a 50% chance of occurring in the next 10 year or has happened in the past 15 years.

Impact

Score	Level		Description
8	Critical	Critical impact on the achievement of objectives and overall performance. High impact on costs and / or reputation. Very difficult and possibly long term to recover.	<ul style="list-style-type: none"> Unable to function without aid of Government or other external Agency Inability to fulfil obligations Medium - long term damage to service capability Severe financial loss – supplementary estimate needed which will have a critical impact on the council’s financial plan and resources are unlikely to be available. Death Adverse national publicity – highly damaging, severe loss of public confidence. Litigation certain and difficult to defend Breaches of law punishable by imprisonment
6	Major	Major impact on costs and objectives. Serious impact on output and / or quality and reputation. Medium to long term effect and expensive to recover.	<ul style="list-style-type: none"> Significant impact on service objectives Short – medium term impairment to service capability Major financial loss - supplementary estimate needed which will have a major impact on the council’s financial plan Extensive injuries, major permanent harm, long term sick Major adverse local publicity, major loss of confidence Litigation likely and may be difficult to defend Breaches of law punishable by fines or possible imprisonment
4	Marginal	Significant waste of time and resources. Impact on operational efficient, output and quality. Medium term effect which may be expensive to recover.	<ul style="list-style-type: none"> Service objectives partially achievable Short term disruption to service capability Significant financial loss - supplementary estimate needed which will have an impact on the council’s financial Medical treatment require, semi- permanent harm up to 1 year Some adverse publicity, need careful public relations High potential for complaint, litigation possible. Breaches of law punishable by fines only
2	Negligible	Minimal loss, delay, inconvenience or interruption. Short to medium term affect.	<ul style="list-style-type: none"> Minor impact on service objectives No significant disruption to service capability Moderate financial loss – can be accommodated First aid treatment, non-permanent harm up to 1 month Some public embarrassment, no damage to reputation May result in complaints / litigation Breaches of regulations / standards

TITLE 2023/24 Internal Audit and Investigation Plan -
Quarter 2 Progress Report (to 30 September 2023)

FOR CONSIDERATION BY Audit Committee on 29 November 2023

WARD None Specific

LEAD OFFICER Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Public assurance about the Council's risk, control and governance environment.

RECOMMENDATION

The Audit Committee (AC) is asked to review and scrutinise the 2023/24 Internal Audit and Investigation Quarter 2 Progress Report (activity to 30 September 2023).

SUMMARY OF REPORT

The AC approved the 2023/24 Internal Audit and Investigation Plan at its meeting on 30 March 2023. Quarterly reports are provided to AC to update on progress in achieving the Plan throughout the year.

The report at Appendix A, with supporting Appendices A(I) and A(II), is provided for AC to review and scrutinise the progress of work against the 2023/24 Internal Audit and Investigation Plan to 30 September 2023.

This recommendation is being made to ensure that the Internal Audit and Investigation Service (IAIS) remains flexible and agile in planning its work to assist the Council in meeting its statutory requirements and the requirements of the AC's Terms of Reference. In addition, to ensure an ongoing focus on key areas that will feed into the Head of Internal Audit's Annual opinion on the council's internal control, risk management and governance framework.

The Council's 2023/24 Internal Audit and Investigation Plan details the proposed Internal Audit and Investigation activity and seeks to:

- provide key stakeholders with independent assurance that the risks within the Council's fundamental systems and processes are being effectively and efficiently managed.
- allow the Council to demonstrate that it is complying with the relevant legislation and applicable professional standards.
- demonstrate the Council's commitment to good governance; and
- set out that the Team's resources are being properly utilised.

The report: -

- Summarises the work of the Internal Audit and Investigation Service and status of the audits in the reporting period (to end September 2023).
- Outlines the Key Corporate Risks covered.
- Summarises the High-Risk Concerns and Follow Up activity.

- Provides assurance that only one less than satisfactory level of assurance has been identified in the period in respect of the 2023/24 Information Governance audit review.
- Provides results of Anti-Fraud activity.
- Outlines compliance with Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Internal Audit.

Background

2023/24 – Key Findings to date

The AC received a Quarter 1 Progress Report at its meeting on 27 September 2023 showing progress against the 2023/24 Internal Audit and Investigation Plan as at 30 June 2023. This report supplements that report with further work progress to 30 September 2023.

In this current period, the team is focused on a number of audits in progress. There has been one new audit finalised from the 2023/24 Plan where the audit assurance was less than level 2, i.e., internal controls “substantially complete and effective.” This was for Information Governance which was given a Category 3 Audit Opinion.

In Quarter 1, one audit (Right to Buy Scheme) was also given a Category 3 Audit Opinion, and this was reported and discussed at the June AC meeting.

Further quarterly update reports on progress on delivering the 2023/24 Internal Audit and Investigation Plan will be reported to the Committee in line with the Council’s reporting cycle.

The 2023/24 Work programme is based on the resources available to deliver internal audit activity and to be able to provide minimal assurance over key risk areas and provide the Head of Internal Audit Annual Audit Opinion at the end of the year on the Council’s internal control, risk management and governance processes. In order to inform that opinion, assurances will also be taken, where appropriate, from other assurance activity across the Council.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes	N/a
Next Financial Year (Year 2)	Nil	Yes	N/a
Following Financial Year (Year 3)	Nil	Yes	N/a

<p>Other financial information relevant to the Recommendation/Decision</p> <p>An effective internal audit and investigation’s function mitigates financial and other risks associated with the Council achieving its objectives. Delivery of the Internal Audit programme is contained within the Medium-Term Financial Plan budget.</p>

<p>Cross-Council Implications</p> <p>Internal Audit works across all areas of the Council – effective internal audit is one of the ways assurance is provided that the Council’s key priorities and objectives will be achieved.</p>

<p>Public Sector Equality Duty</p> <p>The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non-decision-making report providing an update on the work of internal audit and investigation.</p>

<p>Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i></p> <p>Click or tap here to enter text. This report has a positive impact on the climate emergency agenda, as it provides public assurance about the Council’s risk, control and governance environment.</p>

<p>Reasons for considering the report in Part 2</p> <p>Not applicable</p>
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<p>List of Background Papers</p> <p>2023/24 Internal Audit & Investigation Plan (approved by AC 13 March 2023) 2023/24 Internal Audit and Investigation Plan Quarter 1 Progress Report (to 30 June 2023)</p>
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<p>Contact Catherine Hickman Head of Internal Audit & Investigation</p>	<p>Service Governance Services</p>
<p>Telephone No Tel: 07885 983378</p>	<p>Email catherine.hickman@wokingham.gov.uk</p>

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WOKINGHAM BOROUGH COUNCIL
Internal Audit & Investigation
2023/24 Quarter 2 Progress Report
(to 30 September 2023)

2023/24 Internal Audit and Investigation Plan

The purpose of this report is to present to the Audit Committee (AC) the progress in delivering the 2023/24 Internal Audit and Investigation Plan to the end of Quarter 2 of the financial year as part of our regular reporting and the key findings from our work. This is to ensure that the AC discharges its responsibilities in relation to governance, internal control and risk management.

The report includes areas of significant risk identified during our audit reviews and mitigating actions to address those risks. In addition, a summary of the Action Tracker to give Members of the Audit Committee assurances that concerns are being addressed and followed up regularly.

The internal audit programme of work aims to provide sufficient and appropriate coverage to enable the Head of Internal Audit and Investigation (fulfils the role of Chief Audit Executive) to provide an annual internal audit opinion on the Council's governance, internal control and risk management framework.



Summary

The Audit Committee (AC) approved the 2023/24 Internal Audit and Investigation Plan and Strategy at its meeting on 13 March 2023. The Plan continues to remain flexible as the Council responds to its changing risk profile. Any significant changes to the approved Plan will be reported to AC.

This report is provided as part of the quarterly reporting mechanism to AC and is to note the progress of the Team's work as at 30 September 2023.

Appendix A(I) lists the audits completed, at draft stage or work in progress in the period to 30 September 2023, as well as the Audit Opinion given for each review. Completed internal audit assignments are given an 'overall Internal Audit Opinion rating, with '1' being the highest category of audit assurance and '4' the lowest. Audit Opinion definitions are summarised at Appendix A(II).

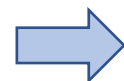
For those audits falling into the lower two categories of audit opinion, a summary is provided within this report and copies of the respective Internal Audit reports are provided to the Chair of the AC.

Follow up work is undertaken on all audits attracting the lowest two categories of audit opinion and on those concerns categorised as being Very High or High risk. This report also summarises the activity in regard to fraud and irregularities.

The work undertaken during the period contributes to informing the Head of Internal Audit's annual overall opinion on the Council's internal control, governance and risk framework, as required under the Public Sector Internal Audit Standards.

Internal Audit and Investigation Plan Status

Appendix A(I) shows the Internal Audit and Investigation Work Plan status as at 30 September 2023. This details audits finalised, at draft report stage or in progress. Changes since the Quarter 1 Progress Report are highlighted in yellow. In addition, the overall category of Audit Opinion given for each audit. Where audits have received the lower two categories of Audit Opinion (refer Appendix A(II)) for definitions), a summary is provided within the Progress Report and a full copy of the respective reports is provided to the Chair of the Audit Committee.



As part of the annual Internal Audit and Investigation Plan, we aim to cover a number of Key Corporate Risks to the Council each year. The table opposite details all of the Councils Key Corporate Risks (as at September 2023) and highlights progress on those being audited during this financial year. The aim is that there is a link of the Internal Audit work directly into the Corporate Risk Register (CRR). This will build over time. There is also flexibility in the Internal Audit Plan to reflect new risks coming into the CRR and those being reduced in risk status or removed from the CRR.

The results of follow up activity are also included within this report and also any audits where there are outstanding responses from management to draft reports.

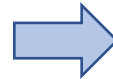
Ref	Risks as at 30 th September 2023	Audit in 2023/24
1	Budget & Financial Resilience - Specific Internal Audit coverage 2023/24: - - Financial Resilience/Compliance with CIPFA Financial Management Code Follow Up - Capital Monitoring - Debtors - Creditors - Procurement Cards - Reconciliation - Treasury Management	√ √ √ √ √ √ √
2	Corporate Governance	√
3	Workforce - Specific Internal Audit coverage 2023/24: - - Safer Recruitment - Recruitment and Retention Processes and References - Service Level Agreements	√ √ √
4	Uncontrolled Development (Local Plan Update)	
5	Outcomes and Costs for Children with Send	
6	Health and Safety	
7	ASC Supplier Sustainability and Sufficiency	
8	Cyber Security	√
9	Deliver the Council's Climate Emergency Action Plan	
10	Major Emergency Response (e.g., Pandemic). Specific Internal Audit Coverage 2023/24 - Civil Contingency Act Emergency Planning Preparedness & Crisis Management & Central Government Return	√
13	Adult Safeguarding	
14	Children's Safeguarding	
15	Resources to Support Emerging Communities.	
17	Mainstream Education Provision. Specific Internal Audit Coverage 2023/24: -School Place Planning	√
18	Magnitude of Change for 2024 Elections	
19	Information Governance	√
21	Local Housing Needs	
22	Support for Unaccompanied Asylum-Seeking Children	√

Risk references above, as per Corporate Risk Register, approved by AC September 2023

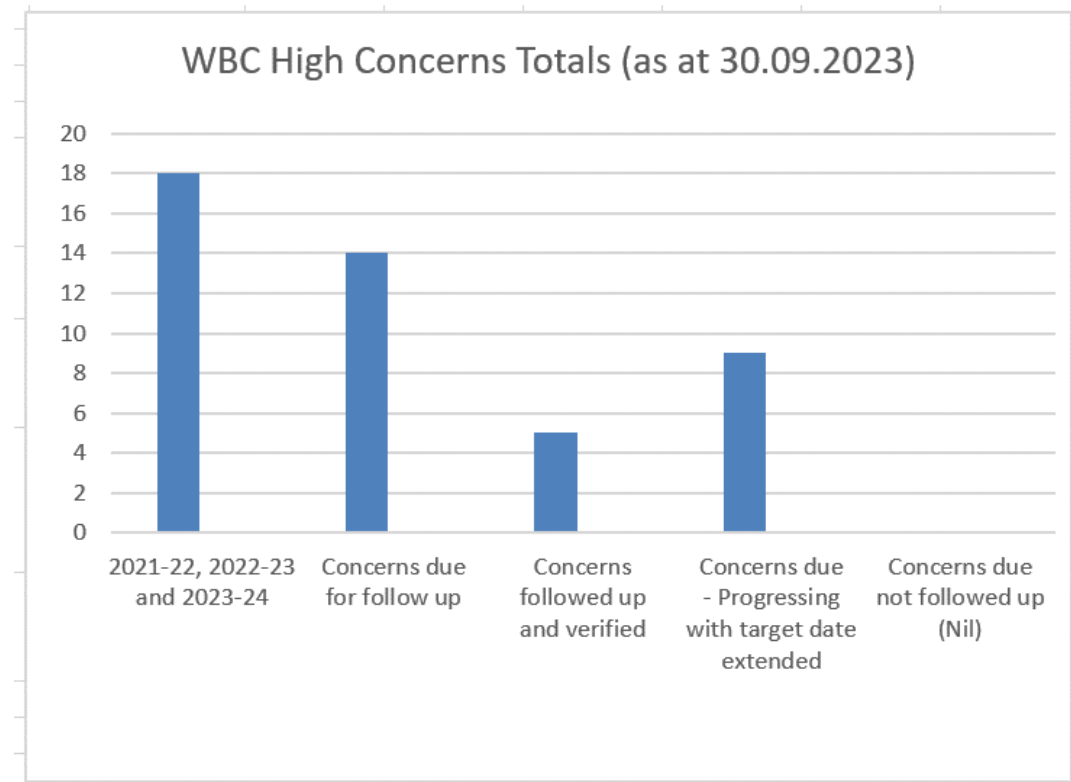
Follow Up Activity

An Action Tracker is maintained to record all High and Medium concerns identified during our audit reviews. Low risk concerns are reported to management verbally at the exit meeting. The Action Tracker is shared with the Chair of the Audit Committee.

The graph opposite and table below show total concerns and follow up activity for High-Risk concerns. At the time of reporting, all high-risk concerns due to be followed up have been confirmed and verified as being actioned by their due date with evidence to support this.



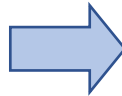
High Risk Concerns Follow Up



	Highs
2021-22	6
2022-2023	10
2023-24	2
High Concerns due for follow up (2021-22, 2022-23 and 2023-24)	14
High Concerns followed up and verified	5
High Concerns due – Progressing with target date extended	9
Concerns due not followed up	0

Follow Up Activity

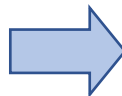
The table opposite shows the total number of High concerns in 2023-24, 2022-23 and 2021-22 and their status of Open or Closed.



Open / Closed Concerns		
Concern	Status	Total
High	Not Yet Due	4
	Closed	5
	Due - Progressing with target date extended	9
Total		18

61

The table opposite shows the total number of High actions, the number of new audit actions raised since the last AC, and the number of High-risk concerns that were Open and Overdue compared to the Previous Quarter. There were no Overdue High-risk concerns.



	Audit Committee 27/09/23 (Q1 2023-24)	New audit Concerns (in 2023-24 Q2)	Audit Committee 29/11/23 (Q2 2023-24)
Total High Concerns	16	2	18
Total Open High Concerns	11		13
Concerns Overdue	0		0
Concerns not yet due	4		4

High Risk Concerns and Agreed Management Countermeasures

Audit	Audit High Risk concerns	Agreed Management Countermeasure	Actions due and status verified	Proposed Implementation date
2023-24				
Information Governance	2	1. Data Privacy Impact Assessments (DPIAs) – Changes to be led from the Project Manager or Service to complete documentation. Conversation to take place with Digital and Change team manager re: project management and increase of Comms to raise awareness of legal requirements. DIGB will raise at meetings to representatives for them to discuss and review their areas for historic DPIAs.	Not yet due	31.3.24
		2. Information Services are responsible for training content. Uptake would need to come from HR Learning & Development Team. There is a signed undertaking with the ICO to complete refresher training at least every two years. Reports have gone out from HR and DIGB and message needs to be reinforced by Senior Leadership.	Not yet due	31.12.23
2022/23				
Debtors	5	1. Training issue to be highlighted to all Services. AR to create new policies and procedures / training workshops with Service users.	Progressing / target date extended	31/03/2023 to 31/03/2024
		2. a) Revenues and Recovery Manager to review the Debtors SLA, processes, and procedures and will engage with service users. b) Robust performance measures were put in place and from 31 st July 2022, the invoices raised data will be shown on the reports.	a) Progressing / target date extended b) Complete	31/03/2023 to 31/03/2024 31/07/2022
		3. Senior Management intervention and debtors restructure will assist improvements. AR team now allocated certain 'patches' and will work with their service counterparts.	Complete	30/09/2022
		4. The Council needs to consider further innovation in its methods for receiving income.	Progressing / target date extended	31/03/2023 to 31/03/2024
		5. A reconciliation in 2018 matched payments and is still updated. AR are guided by Building Control re: write-offs, etc. Will continue to seek resolution with the Service.	Ongoing	Ongoing

Contract Management Compliance	4	1. a) Review approach and resources offered through Procurement & Contracts Team to support development / implementation of the contracts management framework. b) Highways representative to attend the Corporate Contract Management Framework meetings if and when they are set up.	a) Progressing / target date extended	30/04/2023 to 30/11/2023
			b) Complete	30/04/2023
		2. a) Improved contract governance through dashboard and business partnering in Procurement. Improved governance through the Strategic Procurement Board. b) Highways is currently looking at the services we deliver and contracts in place. Procurement will assist in understanding the length / expiry of each contract. when we need to start market engagement and the procurement process for each.	a) Not yet due	01/04/2024
			b) Complete	31/07/2023
		3. Highways is looking to recruit two permanent full-time Asset Specialists and an Asset Technical Assistant, which will assist in audit inspections / on-site inspections. It is also looking to recruit a QS to review all previous applications and identify any errors. As a measurable contract it can be re-visited at <u>anytime</u> during the contract.	Progressing / target date extended	30/09/2023 to 29/02/2024
		4. a) Engagement with Procurement (by Highways) is currently underway in preparation for procurement opportunities for the end of these four contracts. b) The Waste Manager role has been advertised and we hope to fill the position in early 2023. c) To review the contract management arrangements in the central Procurement Team.	a) Ongoing	On-going
			b) Complete	31/05/2023
			c) Progressing / target date extended	01/08/2023 to 30/11/23
Right to Buy	1	1. We will create an internal policy to ensure the Government Legislation continues to be adhered to together with additional measures formalised within the policy. There will be a Policy Statement published to Tenants to set out expectations from us and them through the process. Internal Audit advice and support will be sought in this.	Not yet due	31/03/24
2021/22				
Adult Safeguarding	1	1. Design and implement a local Quality Assurance Framework and devise a tool to ensure that quality learning takes place. Appoint to new grade 11 role.	Complete	30/06/2022
Recruitment and Safeguarding	2	1. a) Children's and Adults - Remind managers and verify that safer recruitment training is completed b) HR - Monthly reports to the HR Business Partners on completion of the mandatory training. Resourcing Team (from January 2023) to ensure that training is undertaken.	a) Complete	01/12/2022
			b) Progressing / target date extended	31/03/23 to 31/03/2024

		2. a) Children's and Adults - Managers to forward all successful candidates recruitment documentation to HR Enquiries mailbox and retain unsuccessful recruitment documentation. b) HR - Review of all HR operational processes ongoing. Checklist for new starters will require team leader sign-off. Explore IT tracking methods and back-up options.	a) Complete	14/11/2022
			b) Complete	31/03/2023
Reconciliations	3	1. Finance will add an annual schedule of key reconciliation checks to the close down programme. This will be passed to Internal Audit to inform audit planning and enable spot checks of key reconciliations related to a Service Area being audited.	Progressing / target date extended	31/03/2023 to 31/03/2024
		2. a) A project delivery plan is being drafted for Technology Forge and scoping the resource (people and finance) required to enable TF to become the hub for property data. b) An outline governance framework for the new (property recording) process and this will be enhanced once the work on Technology Forge is underway. c) Property Team will investigate to ensure that any income due for the Fixed Asset Register properties is billed and that our liabilities as landlord are being fulfilled. The Property Team are working with Finance on short-term enhancements and manual processes to reduce risks until the <u>longer term</u> solution can be implemented.	a) Progressing / target date extended	31/03/2023 to 31/03/2024
			b) Progressing / target date extended	31/03/2023 to 31/03/2024
			c) Complete	31/03/23 to 30/09/2023
		3. a) Process mapping is underway to understand processes for investment property and estates property and whether they should be separate or a single process. An action plan will be put in place to harmonise the 2 processes where possible. b) An assessment will be made of the benefit of using managing agents and external legal provision and if viable, management of investment property will be brought in-house (with a view to when current contracts expire).	Complete	31/03/2023 31/03/2023

Implementation verified as complete
Concern progressing / Target date extended
Target date not yet due

Category 3 / 4 Audit Opinions

For reporting to Audit Committee, we provide a summary of audits falling into the lowest two categories of Audit Opinion. Directors help inform the Audit Plan and, as part of that, ask Internal Audit to focus on areas that require more intense scrutiny to help them make improvement. Where audits do fall into the lower two categories of Audit Opinion this may be a reflection of the Audit Plan being targeted at the highest risk areas.

Full copies of audits falling into the Category 3 or 4 Audit Opinion are provided to the Chair of the Audit Committee.

In the second quarter, one audit has been finalised (2023/24 Information Governance), that has attracted the third category of audit opinion, and this has been shared with the Chair of the AC.

Information Governance

The principal objective of this audit was to determine whether the controls over the operation of Information Governance in the Council were effective.

A number of good practices were identified including Information Governance and Acceptance Policy, Data Protection & GDPR Guidance, Information Asset Register, monthly reporting of performance information to Data and Information Governance Board, a mandatory e-Learning training programme being in place.

Ten concerns were highlighted in the Management Action Plan, of which two are categorised as being High risk; and eight Medium risk.

Regarding the High-Risk concerns, which led to the overall category of audit opinion, Management should focus on:

- Establishing the completeness of Data Privacy Impact Assessments (DPIAs) across the council and the quality of detail.
- Ensuring that all officers complete the mandatory Data Protection e-learning module.

Management have agreed the following actions:

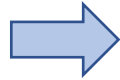
To ensure completeness of the DPIAs, this will be discussed with representatives at Data Information Governance Board (DIGB) meetings to ensure that relevant reviews are undertaken. This will also be reinforced by the Senior Leadership. Discussions will also take place with the relevant Team Manager, Digital and Change, that is involved with project management and there will be Comms to help raise awareness of the council's legal requirements.

For the awareness training, monthly monitoring is undertaken by DIGB concerning officers who have and have not completed data protection training. Senior Leadership will continue to reinforce the need for all officers to complete the relevant training on data protection.

Fraud and Irregularities

The Internal Audit and Investigation Plan includes provision for undertaking reactive and proactive investigations.

There have been no incidences of material fraud, irregularities or corruption discovered or reported during the year. The work undertaken by the team has included re-active investigations as well as developing pro-active anti-fraud drives. A summary of the key areas activity since we last reported is provided here.



Anti-Fraud Activities

National Fraud Initiative Data Matching Exercise – The National Fraud Initiative (NFI) data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud. The exercise for 2023/24 is due to commence in Quarter 3 with required datasets to be uploaded in Quarter 3 with the match reports extracted in Quarter 4. This exercise is purely for the Council Tax Single Person Discounts in place.

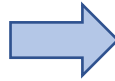
Whistleblowing – There have been 4 Whistleblowing cases received by the service up to the date of this report, of which 3 have been resolved and 1 is outstanding. Progress on the outstanding whistleblowing case is being monitored by the Internal Audit and Investigation Service.

Empty Property Review (EPR) – An empty property review commenced in Quarter 2, due to be finished by the end of quarter and the results will be reported to this Committee in due course.

Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards (PSIAS), as revised in April 2017, define the service and professional standards for public sector internal audit services.

Compliance is monitored on a regular basis, as part of the review process for individual audits and as part of annual self-assessment reviews of the internal audit service. An external review of the service is required to be undertaken every five years in accordance with the PSIAS. The most recent External Review was undertaken in July 2023.



Compliance with Public Sector Internal Audit Standards

The PSIAS, as revised in April 2017, define the service and professional standards for public sector internal audit services.

Key, specific PSIAS provisions include:

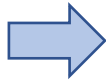
PSIAS: 2010 - *“The Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals.”*

PSIAS: 2450 – *“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 Internal Audit Service is designed to conform to the PSIAS. Under the PSIAS there is a requirement for internal audit services to have an external quality assessment every five years. An external review of the Service against the PSIAS was undertaken by CIPFA in July 2023 and the highest category of conformity has been given, ‘Fully Conforms’, from the range of CIPFA definitions of ‘Fully Conforms (Highest), Partially Conforms, Does Not Conform (Lowest)’. As such, WBC Internal Audit and Investigation Service has the highest level of conformance according to the definitions and action priorities are at the lowest they can be. no areas of non-compliance with the standards were identified, nor were any significant areas of partial non-compliance identified. There were no recommendations for improvement in the report, only five minor advisory suggestions made for consideration that are being actioned and progress in their implementation will be reported periodically to AC.

CIPFA Statement on the Role of Head of Internal Audit

The Head of Internal Audit occupies a critical position in any organisation, helping it to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and playing a key role in promoting good corporate governance. CIPFA has publicised a Statement on the Role of the Head of Internal Audit in public service organisations to help ensure that organisations engage with and support the role effectively.



Compliance with CIPFA Statement on the Role of Head of Internal Audit

In addition to the work undertaken to inform the CIPFA External Assessment against the PSIAS, a self-assessment against the CIPFA Statement on the Role of the Head of Internal Audit was undertaken by Internal Audit, that was verified by CIPFA, and this is referred to in the CIPFA External Assessment report.

This assessment identified minor action points that have been incorporated into the PSIAS Action Plan.

Updates on the implementation of the advisory points from the PSIAS External Assessment and the self-assessment against the Role of the Head of Internal Audit will be reported periodically to the Audit Committee.

Appendix A(I)

2023/24 Internal Audit and Investigation Annual Report (1 April 2023 to 30 September 2023)

Key Corporate Risks

Audit title	Directorate	Status	Final audit report opinion
Budget & Financial Resilience (Key Corporate Risk 1) comprising: -			
- Compliance with CIPFA Financial Management Code (Follow Up) (Key Corporate Risk 1)	Resources & Assets		
- Capital Expenditure	Resources & Assets	WIP	
- Debtors Key Financial System	Resources & Assets		
- Creditors Key Financial System	Resources & Assets	Draft Report Issued	
- Procurement Cards	Resources & Assets	WIP	
- Reconciliation Follow Up	Resources & Assets		
- Treasury Management Key Financial System	Resources & Assets	Final Report Issued	2
Corporate Governance (Key Corporate Risk 2)	Resources & Assets		
Human Resources (Key Corporate Risk 3) comprising: -	Cross Cutting		
- Safer Recruitment – revisit the 2021/22 Internal Audit Report	Chief Executive's		
- Recruitment and Retention Process and References – review of new procedures.	Chief Executive's	Deferred to 2024/25 – new procedures not ready to audit	
- Service Level Agreements – review of processes and compliance	Chief Executive's		
Self-Assessment of Council's Arrangements Information Governance and Cyber Security Arrangements (Follow Up) (Key Corporate Risk 8)	Chief Executive's		
Civil Contingency Act Emergency Planning Preparedness & Crisis Management & Central Government Return Information (Key Corporate Risk 10)	Place & Growth		
School Place Planning (Key Corporate Risk 17)	Children's Services	WIP	
Information Governance (Key Corporate Risk 19)	Resources & Assets	Final Report Issued	3
Unaccompanied Asylum-Seeking Children (Key Corporate Risk 22)	Children's Services	WIP	

Appendix A(I) Contd./...

Key Operational Risks

Audit title	Directorate	Status	Final audit report opinion
Procurement & Commissioning	Resources & Assets	WIP	
Enforcement & Safety Service (Part II)	Place & Growth		
Community & Infrastructure Levy	Place & Growth		
Public Health	Adult Services		
S106 Agreements (Follow Up)	Place & Growth		
Use of Temporary Accommodation and Bed and Breakfast	Children's Services		

Governance Building Blocks

Audit title	Directorate	Status	Final audit report opinion
Risk Management	Cross Cutting		
Governance of WBC Companies	Resources and Assets	ToR Issued	
Annual Governance Statement (AGS) 2023/24	Cross-Cutting		

Servicing the Business

Audit title	Directorate	Status	Final audit report opinion
Effectiveness of System of Internal Audit / Public Sector Internal Audit Standards External Assessment Preparation	Cross Cutting	Ongoing – External Review in progress	n/a
Follow Up Countermeasures / Testing	Cross Cutting	Ongoing	

Appendix A(I) Contd./...

Grant Certifications

Audit title	Directorate	Status	Final audit report opinion
Supporting Families (Quarter 1)	Children's Services	Certified	n/a
Supporting Families – Pre and Post October 2022 Framework (Quarter 2)	Children's Service	Certified	n/a
Local Transport Capital Funding Grant	Place & Growth	Certified	n/a
Bus Subsidy Revenue Grant/BSOG	Place & Growth	Certified	n/a

Contingency/Consultancy/Management Requests

Audit title	Directorate	Status	Final audit report opinion
Licensing – GDPR Breach (Management Request)	Place & Growth	Draft Report Issued	

Fraud and Investigation

Audit title	Directorate	Status	Final audit report opinion
Empty Property Relief	Resources & Assets	Results to be reported in Q3	
Whistleblowing			
Housing enquiry (Tenancy Agreement)	Place & Growth	Complete	n/a
Police Disclosure of Personal Data Requests	Resources & Assets	Ongoing	n/a

Appendix A(I) Contd./...

2022/23 Audits Completed in 2023/24

Audit title	Directorate	Status	Final audit report opinion
Budget & Financial resilience (Key Corporate Risk 1) - Financial Monitoring	Resources & Assets	Final	2
Right to Buy	Place & Growth	Final	3
Risk Management	Cross Cutting	Final	2

Key: -

Audits progressed since Quarter 1 Internal Audit and Investigation Progress Report highlighted in yellow

Appendix A(I) Contd./...

Audit Opinions

1 - Complete and Effective

2 - Substantially Complete and Generally Effective

3 - Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated

4 - There is no effective Risk Management process in place

Legend

C – Certification

E – Exempt

WIP – Work in Progress

Draft – Draft Report stage

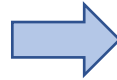
Final – Final Report issued

Appendix A(II)

Audit Opinion Definitions

The Audit Opinion stated in the audit report provides management with a brief objective assessment of the status of current Treatment Measures which have been put in place to reduce identified risks to the operation or strategy under review. It is not a statement of fact.

In reaching the Audit Opinion for this audit, the majority of the criteria for the relevant definition apply.

**Complete and Effective**

- ◆ All necessary Treatment Measures are in place and are operating effectively.
- ◆ Residual risks have been reduced to an acceptable level
- ◆ There are no unacceptable financial implications.
- ◆ Concerns reported are minor.

(Risk management processes are strong, and controls are adequate and effective).

Substantially Complete and Generally Effective

- ◆ Most key Treatment Measures are in place, and these operate effectively.
- ◆ The majority of residual risks have been reduced to an acceptable level.
- ◆ There are minor unacceptable financial implications.
- ◆ The majority of concerns are of a predominately moderate impact/likelihood.

(Risk management processes are good, and controls are adequate although only partially effective).

Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated

- ◆ Not all key Treatment Measures are in place and / or do not operate effectively
- ◆ Residual risks have not all been reduced to an acceptable level
- ◆ There are some unacceptable financial implications associated with more than one risk mitigation control or because of a lack of risk mitigation control.
- ◆ There are a number of concerns that are predominantly of a major impact/likelihood.

(Risk management processes and controls are adequate but not effective in mitigating the identified risks).

There is no effective Risk Management process in place

- ◆ There are no appropriate Treatment Measures in place.
- ◆ Residual risks remain at an unacceptable level
- ◆ Reported concerns are predominantly of a catastrophic or major impact/likelihood.

(Risk management processes and controls are weak).

TITLE	Review of the Council's Anti-Fraud and Anti-Corruption Policies
FOR CONSIDERATION BY	Audit Committee on 29 November 2023
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

This report outlines the Council's key policies to support its Anti-Fraud and Anti-Corruption culture and ensure good governance practices.

RECOMMENDATION

That the Audit Committee agree the proposed amendments to the: -

- Anti-Fraud and Anti-Corruption Policy;
- Raising Concerns at Work (Whistleblowing Policy);
- Anti-Money Laundering Policy;
- Anti-Bribery Policy; and
- Acquisition of Communications Data, and Use of Covert Surveillance and Covert Human Intelligence Sources (Regulation of Investigatory Powers Act 2000) Policy

In addition, to recommend these for approval to Council, via the Constitution Review Working Group.

SUMMARY OF REPORT

The Council's Constitution provides for the Audit Committee to agree all of the Council's Anti-Fraud and Anti-Corruption policies prior to their adoption being recommended to Council via the Constitution Review Working Group. This review takes place regularly and is an important element of good governance.

A summary of the changes for each policy is outlined below and a copy of each of the updated fraud policies is attached at [Appendix A \(clean version\)](#), with a version showing tracked changes at [Appendix B \(tracked changes\)](#).

Background

The Council's Anti-Fraud and Anti-Corruption Policies were last refreshed and presented to Audit Committee for approval on 5 February 2020.

The six policies are: -

1. Anti-Fraud and Anti-Corruption Strategy
2. Whistleblowing Policy
3. Anti-Bribery Policy
4. Anti Money Laundering Policy

5. Acquisition of Communications Data, and Use of Covert Surveillance and Covert Human Intelligence Sources (Regulation of Investigatory Powers Act 2000) Policy
6. Enforcement Sanctions Policy (Chapter 9.8 - being reviewed separately by Legal Services)

There have been no significant changes to the content of the policies during this refresh.

In respect of policies 1 to 5 above, these have been reviewed to adhere to the Council's Communication style in terms of aiming to make the policies clearer and more understandable. Minor changes have been made to contact details / officers / external organisations, where appropriate.

In respect of the "Acquisition of Communications Data, and Use of Covert Surveillance and Covert Human Intelligence Sources (Regulation of Investigatory Powers Act 2000) Policy", this document was reviewed by the Investigatory Powers Commissioner's Office during a recent Inspection of the Council's Regulation of Investigatory Powers Act arrangements during October 2022.

Following the Inspection, the Inspector concluded the Council's Acquisition of Communications Data, and Use of Covert Surveillance and Covert Human Intelligence Sources (Regulation of Investigatory Powers Act 2000) Policy and Procedures documents were found to be comprehensive, and they had been updated in line with the recommendations from the previous Inspection.

One suggestion was made during the Inspection was for the Council to consider the Assistant Director, Governance, as part of the Senior Leadership Team, replacing the Chief Executive as Senior Responsible Officer (SRO) purely for logistical reasons. This change has been included within the updated Policy attached.

The Enforcement Sanctions Policy falls under the responsibility of Legal Services and is separately being reviewed and updated as part of the review of the Council Constitution.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer-term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes	N/a
Next Financial Year (Year 2)	Nil	Yes	N/a
Following Financial Year (Year 3)	Nil	Yes	N/a

Other financial information relevant to the Recommendation/Decision
An effective investigation policy framework mitigates financial and other risks associated with the Council achieving its objectives. Delivery of the investigations work is contained within the Medium-Term Financial Plan budget.

Cross-Council Implications
The Internal Audit and Investigation Service works across all areas of the Council and is one of the ways assurance is provided that the Council’s key priorities and objectives will be achieved.

Public Sector Equality Duty
The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non-decision-making report providing a refresh of the council’s anti-fraud and anti-corruption policies.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
N/a

Reasons for considering the report in Part 2
N/a

List of Background Papers
N/a

Contact Catherine Hickman Head of Internal Audit & Investigation	Service Governance Services
Telephone No 07885 983378	Email catherine.hickman@wokingham.gov.uk

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APPENDIX A (CLEAN VERSION)

CHAPTER 9.4 – CORPORATE ANTI-FRAUD AND ANTI-CORRUPTION POLICY

9.4.1 Introduction

Wokingham Borough Council (The Council) aims to deliver high quality services and provide value for money by being fully accountable, honest and open in everything that it does.

Fraud and corruption undermine these aims by diverting resources from activities, damaging public confidence in the Council and affecting staff morale.

The Council seeks to make sure that measures are taken to prevent, detect and investigate fraudulent or corrupt acts.

The aim of this policy is to reduce losses from fraud and corruption to an absolute minimum.

The Council has a zero tolerance policy regarding fraud and corruption.

This policy is particularly relevant to:

- a) Councillors.
- b) Officers.
- c) contractors.
- d) consultants.
- e) suppliers.
- f) service users.
- g) customers (including the public); and
- h) partner organisations.

9.4.2 Defining Fraud

The Council defines “fraud” as an intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for financial gain.

This may involve, but is not limited to:

- a) falsification or alteration of accounting records or other documents.
- b) misappropriation of assets or theft.
- c) suppression or omission of the effects of transactions from accounting records of other documents.
- d) recording transactions which have no substance; and
- e) wilful misrepresentation of transactions or of the Council’s situation.

9.4.3 Defining Corruption

The Council defines corruption as the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the Council, its Councillors or Officers.

Areas where corrupt practices may occur include, but are not limited to:

- a) tendering and awarding of contracts.
- b) financial interests of Councillors and Officers.
- c) the award of permissions, planning consents and licenses; and
- d) the disposal of assets.

9.4.4 Framework for Prevention and Detection

It is a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

9.4.5 Key Principles and Culture

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside of the authority. The Council is committed to creating a culture of opposition to fraud and corruption. The Council is determined that the authority meets the expectations of the Committee on Standards of Public Life and is committed to the ten general principles which govern standards of conduct in local government, namely:

- a) selflessness.
- b) honesty and integrity.
- c) objectivity.
- d) accountability.
- e) openness.
- f) personal judgement.
- g) respect for others.
- h) duty to uphold the law.
- i) stewardship; and
- j) leadership.

9.4.5.1

The Council requires Councillors (elected and co-opted) and officers (including agency staff, consultants, and contractors) to lead by example in ensuring effective opposition to fraud and corruption. This includes ensuring adherence to legislation, local rules and regulations, National and Local Codes of Conduct and that all procedures and practices are beyond reproach.

9.4.6 Raising Concerns

Officers at all levels must be alert to the possibility of fraud and corruption. They need to, and are positively encouraged to raise any concerns relating to fraud and corruption which they become aware of.

These can be raised in any way that the Officer prefers, including with their line manager, through a Director, with the Internal Audit and Investigation Service or through the [Council's Whistleblowing Policy](#). Whichever route is chosen, the employee can be assured that concerns raised in good faith will be fully investigated and, wherever possible, those raising concerns will be dealt with in confidence.

When management receive concerns from Officers or others regarding potential fraud or corruption, they must immediately contact the Assistant Director, Governance (and Monitoring Officer) with details of the concerns. The Assistant Director, Governance will make initial enquiries and, in consultation with the Section 151 Officer, will determine whether there are grounds for an investigation.

Councillors, service users, suppliers, partner organisations and members of the public are encouraged to report any concerns. These concerns about fraud and corruption should be reported either directly to the Assistant Director, Governance or via the [Council's Whistleblowing Policy](#).

If Officers feel that they are unable to use internal routes, then they can contact the Council's external auditors.

External Auditors

Contact details as published in Annual Accounts on Wokingham Borough Council Website

Although the Council encourages its Officers and Councillors to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through the Council's disciplinary code.

9.4.7 Corporate Governance

The main corporate policies and procedures which formulate the Council's framework for minimising risk and the prevention of fraud and corruption include:

- a) Anti-Fraud and Anti-Corruption Policy.
- b) Internal Audit Charter.
- c) Contract and Procurement Regulations.
- d) Financial Regulations.
- e) Human Resources Policy and Guidance for Discipline.
- f) Human Resources Policy for Conduct and Personal Behaviour.
- g) Human Resources Policy for Recruitment and Retention.
- h) Code of Conduct for Councillors.
- i) Money Laundering Policy.
- j) Officer's Code of Conduct.

- k) Prosecution and Sanction Policy.
- l) Risk Management Strategy.
- m) Scheme of Delegation.
- n) Whistleblowing Policy; and
- o) Anti-Bribery Policy

9.4.8 Corporate Responsibility

Assistant Directors must ensure that all Officers in their service are familiar with the corporate policies and procedures listed in [Rule 9.4.7](#).

In addition, Assistant Directors must ensure that all Officers are aware of any other relevant rules and regulations specific to their service.

Failure to adhere to these policies and procedures could result in the start of disciplinary procedures.

9.4.9 Recruitment

The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the effective recruitment of staff and therefore takes pre-employment screening seriously.

Officer recruitment is required to be in accordance with procedures laid down by the Assistant Director – HR & OD. As part of these procedures, particular reference is made to:

- a) verifying the identity of the applicant.
- b) obtaining satisfactory references prior to appointment.
- c) verifying the applicant is able to legitimately work in the UK.
- d) verifying and retaining copies of certificates for stated qualifications; and
- e) undertaking Disclosure Barring Service checks where appropriate.

These practices apply to all permanent appointments including those where Officers have entered the organisation as an agency worker or consultant in the first instance.

9.4.10 System of Internal Control

The risk of fraud and corruption can be minimised by good financial management, sound internal control systems, effective management supervision, and by raising public, Councillor and Officer awareness of fraud.

9.4.10.1

Internal control is the whole system of controls, financial and otherwise, established to provide reasonable assurance of:

- a) proper aims and objectives.
- b) efficient and effective operations.
- c) reliable management information and reporting.

- d) genuine expenditure.
- e) compliance with laws and regulations.
- f) performance management; and
- g) security of assets and income.

9.4.10.2

Weaknesses in the design and operation of administrative and financial internal control systems may increase the risk of fraud. Systems must contain efficient, effective, and well documented internal controls that cover the following:

- a) adequate segregation of duties.
- b) proper authorisation and approval procedures.
- c) adequate physical security over assets; and
- d) reliable monitoring and reporting arrangements.

9.4.10.3

It is management's responsibility to install adequate internal controls and rectify weaknesses if they occur. To help management discharge this responsibility, systems may be subject to review by both Internal and External Audit.

Auditors are responsible for reporting to management on significant weaknesses in the control environment, including flaws in the operation of internal controls and highlighting exposure to the risk of fraud.

High risk audit concerns are promptly followed up to make sure issues that are highlighted are appropriately actioned.

Management must bring about occasional preventive compliance checks on the operation of internal controls within their service and are encouraged to seek advice from the Internal Audit and Investigation Service on what checks must be carried out. This work must be used to inform the Annual Governance Statement.

9.4.11 Risk Management

Major fraud risks relating to services must be included within local Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

9.4.12 Role of Statutory Officers

The Council has a statutory responsibility, under Section 151 of the Local Government Act 1972, to ensure the proper administration of its financial affairs and also to nominate one of its Officers to take responsibility for those affairs. The Council's nominated Section 151 Officer is the Deputy Chief Executive and Director of Resources and Assets.

9.4.12.1

The Council's Monitoring Officer (Assistant Director, Governance) is responsible under Section 5 of the Local Government and Housing Act 1989 to guard against illegality, impropriety and maladministration in the Council's affairs.

9.4.13 Effective Action

Responsibility for investigating suspected fraud and corruption against the Council rests with the Internal Audit and Investigation Service. This is to make sure that the investigation is performed only by properly trained Officers in accordance with the appropriate legislation.

9.4.14 Procedure

All referrals will initially be risk assessed and material instances of fraud or irregularity in the Council will be referred to the Internal Audit and Investigation Service.

The Internal Audit and Investigation Service will make sure the following objectives are met:

- a) Investigations are undertaken fairly, objectively and in accordance with relevant laws and regulations, so as to avoid jeopardising the outcome on legal and procedural technicalities.
- b) Evidence and unused material are secured and protected, in accordance with the law and best practice.
- c) All reasonable lines of enquiry are followed to establish whether or not there is a case to answer.
- d) Conclusions and recommendations for action are always based on (and, where appropriate, supported by) the evidence gathered during the investigation.
- e) The case is reported and prepared in an appropriate format, in line with the relevant procedures; in the case of criminal process, this means the *National File Standard*.
- f) Appropriate sanctions and redress are sought against any and all individuals and organisations that seek to defraud the Council.

9.4.15 Completion

Once an investigation is completed, the Internal Audit and Investigation Service may have responsibilities in relation to:

- a) recommending improvements to systems.
- b) attendance at disciplinary hearings and tribunals.
- c) attendance at Court as a witness; and
- d) reporting to the Audit Committee.

Conclusions will be based on fact allowing management to take forward any required disciplinary and / or criminal proceedings as they determine appropriate.

9.4.16 Disciplinary

The Council has disciplinary procedures in place, which must be followed whenever officers are suspected of committing a fraudulent or corrupt act. The disciplinary procedures are set out in the Disciplinary Policy and Guidance. The Chief Executive has overall responsibility for ensuring that the disciplinary procedure is managed effectively. Line managers, under the overall direction of an Assistant Director are responsible for day-to-day management and ensuring compliance with the Disciplinary Policy and Guidance.

9.4.17 Reporting and Publicity

Incidents of fraud and corruption are reported through the following ways:

- a) Corporate Leadership Team.
- b) Audit Committee; and
- c) External Auditors.

Where evidence of fraud and corruption is found, appropriate sanctions will be sought in line with the Council's Enforcement Sanctions Policy.

The details of any proven act of fraud or corruption, including action taken by the Council will be publicised to Officers, Councillors and the public.

This is aimed at preventing further attempts of fraud or corruption by demonstrating the seriousness with which the Council views such cases. In agreement with the Section 151 Officer, Monitoring Officer, the Council will report criminal activity to the Police at the appropriate stage.

9.4.18 Working with Others

The Council will put into place and continue to develop such arrangements, as it deems necessary in order to facilitate the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative which matches data across a wide range of public service organisations in order to detect fraud or erroneous payments.

9.4.19 Money Laundering

Money laundering is the process of moving illegally generated funds through a cycle of transformation in order to create the end appearance of legitimately earned funds.

The Proceeds of Crime Act 2002 details the three principal money laundering offences as:

- a) assisting another to retain the benefit of crime.
- b) acquisition, possession or use of criminal proceeds; and
- c) concealing or transferring proceeds to avoid prosecution.

In addition, there are related offences for failing to report where a person has knowledge, suspicion or reasonable grounds for knowledge or suspicion that money laundering has taken place, as well as for tipping off a person that a disclosure has taken place.

Council Officers and Councillors who suspect money laundering activities must report their concern to the Council's nominated Money Laundering Reporting Officer (MLRO), the Section 151 Officer (Deputy Chief Executive and Director of Resources and Assets).

The Council has adopted an Anti-Money Laundering Policy; all reports must be made in accordance with that policy.

(Further details are contained in Chapter 9.7 [Anti-Money Laundering Policy](#).)

9.4.20 Conclusion and Review

The Council has a clear framework in place of systems and procedures to prevent and investigate fraud and corruption. It will make sure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.

To this end, the Council maintains a continuous review of these arrangements through, the Audit Committee, the Section 151 Officer (Deputy Chief Executive and Director of Resources and Assets), Internal Audit and Investigation Service, External Audit, and the Monitoring Officer (Assistant Director, Governance).

9.4.21 Adoption and Amendment of the Policy

This previous version of the Policy was agreed by the Constitution Review Group on 17 September 2020 from which it came into immediate effect. This revised version replaces all previous policies on these subjects.

CHAPTER 9.5 – WHISTLEBLOWING POLICY AND GUIDANCE

9.5.1 Introduction

The Council is committed to delivering high quality services to its customers and expects high standards from its Officers and contractors. To maintain those high standards, a culture of openness and accountability is important. The aims of this policy are:

- a) to encourage you to raise concerns about malpractice within the organisation without fear of reprisal.
- b) to reassure you that your concerns will be taken seriously; and
- c) to provide information about how to raise your concerns and explain how the council will respond.

This policy applies to all Council officers, former officers, agency staff and contractors engaged by the Council.

9.5.2 What is Whistleblowing?

Whistleblowing occurs when a concern is raised about danger or illegality that affects others. For example, clients, members of the public or the Council itself.

As the person “blowing the whistle” you would not usually be directly affected by the danger or illegality. Consequently, you would rarely have a personal interest in the outcome of any investigation into your concerns. This is different from a complaint or grievance.

If you make a complaint or lodge a grievance, you are saying that you personally have been poorly treated. This poor treatment could involve a breach of your individual employment rights or bullying, and you are entitled to seek redress for yourself.

A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker, is made in the public interest. As a result of this, Officers will generally be precluded from being able to “blow the whistle” about breaches of their employment contract. Although an Officer making such a complaint can still use the Council’s grievance policy.

Examples of whistleblowing concerns are:

- a) fraud in, on or by the Council.
- b) offering, taking, or soliciting bribes.
- c) unauthorised use of public funds.
- d) financial maladministration.
- e) the physical, emotional, or sexual abuse of clients.
- f) failure to comply with legal obligations.
- g) endangering of an individual’s health and safety.

- h) damage to the environment.
- i) a criminal offence.
- j) failure to follow financial and contract procedure rules.
- k) showing undue favour to a contractor or a job applicant.
- l) misreporting performance data; or
- m) neglect of people in care.

This Policy does not replace the Council's complaints or grievance procedures.

9.5.3 Who must I contact?

Having considered this Policy, an officer of the Council, or any other person covered by the Public Interest Disclosure Act (PIDA) 1998, who has serious concerns about any aspect of the Council's work, must in the first instance inform one of the following methods:

a) Inform Line Manager

In many cases, raising concerns with the line manager is the most appropriate route for an Officer. The line manager must inform the Assistant Director, Governance of the disclosure and an appropriate course of action will be agreed. If this is not a suitable option, (for example because the issue may implicate the manager or if the concern has been raised but remains unaddressed) the concern may be raised using one of the other methods.

b) Dedicated Whistleblowing Communication Channels

The Internal Audit and Investigation Service have established a dedicated 24-hour answerphone hotline for receiving disclosures.

Hot line number - 0118 974 6550.

Email: - confidential.whistleblowing@wokingham.gov.uk

By Post –

Confidential Whistleblowing
Internal Audit and Investigation Service
Shute End
Wokingham
RG40 1BN

c) Internal Audit and Investigation Service and Assistant Director, Governance

The Internal Audit and Investigation Service can offer confidential independent advice on the use of the Whistleblowing Policy.

If you suspect an Officer, a member of the public or contractor (in their business dealings with the Council) of fraud or corruption, you can contact the Internal Audit and Investigation Service who will discuss your concerns with you in complete confidence. If you are in receipt of any allegation involving possible corruption, fraud, or malpractice, you must notify the Assistant Director, Governance immediately.

d) Adults, Childrens, Health Services

If you wish to raise a concern involving vulnerable adults or children, you can contact the Council's Adult Safeguarding Hub at adultsafeguardinghub@wokingham.gov.uk

e) Schools

You must refer to the whistleblowing arrangements for the individual school. If it is not suitable for the school's Governing Body to deal with, the concern must be raised with the Multi Agency Safeguarding Hub at triage@wokingham.gov.uk

9.5.3.1

Advice and guidance on how matters of concern may be pursued can be obtained from: the Monitoring Officer (Assistant Director, Governance).

9.5.4 Legal Protection

The Public Interest Disclosure Act (PIDA) 1998 – sets out a framework of protection against victimisation or dismissal for workers who blow the whistle (“disclosure”) on criminal behaviour and other specified forms of malpractice.

9.5.4.1

It applies to making a ‘protected’ disclosure in respect of specific types of malpractice, which are:

- a) that a criminal offence has been committed, is being committed or is likely to be committed.
- b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject.
- c) that a miscarriage of justice has occurred, is occurring or is likely to occur.
- d) that the health or safety of any individual has been, is being or is likely to be endangered.
- e) that the environment has been, is being or is likely to be damaged; or
- f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

9.5.4.2

The Act covers internal disclosures to Wokingham Borough Council as the employer, disclosures to prescribed ‘persons’ such as regulatory bodies (e.g., for health and safety issues, the Health and Safety Executive), and wider disclosures, for example, to the police and the media.

9.5.5 Raising Concerns Outside the Council

In certain circumstances, it may be appropriate to raise concerns outside the Council to the appropriate ‘prescribed regulator’. This may only be undertaken where any disclosure of information that is made in the public interest and where you believe the information is true, i.e., more than just suspicion.

You are advised to discuss your concerns with a legal advisor, trade union or Public Concern at Work before reporting them outside the Council. Examples of prescribed regulators are set out below:

- a) The Council's external auditors.
- b) Information Commissioner.
- c) Environment Agency.
- d) Health and Safety Executive.
- e) Commissioner of the Inland Revenue.
- f) Ofsted.
- g) General Social Care Council.
- h) Care Quality Commission.
- i) The Commission for Social Care Inspection; and
- j) National Care Standards Commission.

9.5.5.1

As a last resort, you may choose to raise your concern outside the Council to someone other than a prescribed regulator, e.g., to the police or your MP. You should only do this if, in addition to the conditions above, they meet one of three preconditions. Provided the disclosure is reasonable in all the circumstances and is not made for personal gain, the preconditions are that you:

- a) reasonably believed that you would be victimised if you raised the matter internally within the Council; or
- b) reasonably believed that the matter would be 'covered up' and there is no prescribed regulator; or
- c) have already raised the matter internally or with a prescribed regulator.

9.5.5.2

Wider disclosures (i.e., to the media) can only be protected where there is a justifiable cause for going wider and where the disclosure is reasonable. The Council therefore encourages concerns to be raised initially using one of the methods described in [Rule 9.5.3](#).

9.5.6 Making a Protected Disclosure

This policy is intended to allow the internal investigation and resolution of any concerns raised. In accordance with the PIDA 1998, to make a 'protected' disclosure the whistleblower must meet certain conditions:

- a) A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest.

Therefore, while the employer can seek a declaration from the whistleblower that he or she is not knowingly making false allegations, disciplinary action is likely to be appropriate only where there is clear evidence that the reporting worker has misused the whistleblowing policy.

- b) Disclosure to a regulatory body will be protected where, in addition, the whistleblower honestly and reasonably believes that the information they provide, and any allegation contained in it are substantially true.
- c) Disclosure to other external bodies will be protected if, in addition, making it is in all respects reasonable. 'In all respects reasonable' means, in effect:
 - i) the disclosure is not made for personal gain.
 - ii) the whistleblower reasonably believed that they would be victimised if they raised the matter internally.
 - iii) there is no relevant regulatory body.
 - iv) the whistleblower reasonably believed that evidence was likely to be concealed or destroyed.
 - v) the concern has already been raised with the employer and/or relevant regulatory body; and
 - vi) the concern is of an 'exceptionally serious nature – which in a local government setting could include, say, the alleged abuse of children or vulnerable adults in an authority's care.

9.5.6.1

This may be undertaken orally or in writing. If you are writing, remember to give details of how you can be contacted.

Anonymous disclosures present difficulties for effective investigation. Your identity will be kept strictly confidential if you so request, unless disclosure is required by law. However, the Council recognises that despite the dual safeguards of confidentiality and legal protection from recrimination, that individuals may still feel unable to reveal their identity.

In these situations, individuals can report their concerns anonymously, but should be aware that these concerns carry less weight with the investigation teams and the disclosure may not be sufficiently detailed to provide a successful investigation. (Those making reports should also note that by concealing their identify it is harder for the Council to ensure that they are protected in accordance with the Act; this is simply because those responsible for putting the Act into effect within the Council will not know who they are.)

9.5.6.2

Allegations that are malicious, or allegations made for personal gain, may result in action against the person making them. If an allegation is made in the public interest, but is not confirmed by an investigation, no action will be taken against the person who raised the concern.

9.5.6.3

It is preferable that a whistleblowing concern be raised as soon as there is reasonable suspicion. Officers are not expected to investigate the matter themselves or prove that their concern is well-founded.

9.5.6.4

Anyone who has made a protected disclosure will not suffer any detriment because of raising their concern unless it is later proved that they knew they were providing false information. In addition, whistleblowers are protected from suffering a detriment, bullying or harassment from another worker.

Examples of detriment includes (but is not limited to):

- a) failure to promote, if linked to the disclosure.
- b) denial of training.
- c) closer monitoring.
- d) exclusion.
- e) blocking access to resources.
- f) unrequested re-assignment or re-location.
- g) demotion.
- h) suspension.
- i) disciplinary sanction.
- j) bullying or harassment.
- k) victimisation.
- l) dismissal.
- m) failure to provide an appropriate reference; or
- n) failing to investigate a subsequent concern.

9.5.7 How will the Council respond?

The action taken by the Council will depend on the nature of the concern. The matters raised may:

- a) be investigated internally.
- b) be referred to the Police.
- c) be referred to the external auditors.
- d) form the subject of an independent inquiry; or

- e) be considered a service issue and referred to the service to respond by any combination of the above.

9.5.7.1

In all cases, where a concern is raised, the contacted Officer shall notify the Monitoring Officer (Assistant Director, Governance) and Deputy Chief Executive and Director of Resources and Assets (S151 Officer). These officers will assess the nature of the concern to decide the appropriate response. Some concerns may be resolved by agreed action without the need for investigation. Any investigation will be overseen by the Assistant Director, Governance.

9.5.7.2

Feedback on the outcome of the concern will be given to the person raising the concern. This feedback may be limited due to legal obligations of confidentiality (i.e., if disciplinary action is taken against a Council Officer). The person raising a concern should normally be told:

- a) how and by whom a concern will be handled.
- b) an estimate of how long an investigation will take.
- c) the outcome of the investigation (where appropriate).
- d) that if they believe they are suffering detriment because of raising the concern that they should report it.
- e) that he or she is entitled to independent advice.

9.5.8 What if I am Dissatisfied with the Council's Response?

This policy is intended to provide you with an avenue to raise concerns within the Council. However, if at the end of the process an Officer of the Council, or any other person covered by the Act, is not satisfied with how a disclosure has been dealt with and wishes to pursue matters by means of a wider disclosure, the following points of contact are available to you:

- a) the Chair of the Council's Audit Committee.
- b) your local Councillor (if you live in the borough).
- c) the Council's external auditors.
- d) relevant professional bodies or regulatory organisations.
- e) relevant inspection body.
- f) your solicitor; or
- g) the Police.

9.5.8.1

If you do decide to take the matter outside of the Council, you need to ensure that you do not disclose confidential information and that you are 'protected' in accordance with the PIDA 1998 ([Rule 9.5.5](#)). If you wish to raise a concern outside of the Council, you may raise it with an external body from the list of prescribed persons and bodies detailed in the 'Department for Business Innovation & Skills [Blowing the Whistle to a Prescribed Person](#)' document.

9.5.9 Further Information and Advice

Free confidential and independent advice on 'Whistleblowing' can also be obtained from:

Protect

The Green House
244-254 Cambridge Heath Road,
London,
E2 9DS.

[Tel Advice Line](#): 0203 117 2520

External Audit

Contact details can be obtained from Wokingham Borough Council Annual Accounts, published on Council Website

Professional Body or Trade Union

If you are a member of a professional body or trade union, they should be able to advise you on Whistleblowing.

9.5.10 Adoption and Amendment of the Policy

This previous version of the Policy was agreed by the Constitution Review Group on 17 September 2020 from which it came into immediate effect. This revised version replaces all previous policies on these subjects.

CHAPTER 9.6 - ANTI-BRIBERY POLICY

9.6.1 Policy Statement: Anti-Bribery

Bribery is a criminal offence under the Bribery Act 2010. Wokingham Borough Council does not pay bribes or offer improper incentives to anyone for any purpose. We do not and will not accept bribes or improper incentives.

9.6.1.1

To use a third party to channel bribes to others is a criminal offence. We do not engage indirectly in or otherwise encourage bribery.

9.6.1.2

We are committed to prevent and detect bribery. We have a zero-tolerance towards bribery and embed anti-bribery compliance within the Council's usual "business processes". We will NOT treat it as a one-off exercise.

9.6.2 Objective of this Policy

This policy provides a consistent framework to enable the Council and Councillors to understand and implement arrangements that enable compliance with the anti-bribery rules.

Alongside related policies and key documents, it will also enable Officers and Councillors to identify and effectively report any actual or potential breaches of those rules.

All personnel, including those permanently employed, temporary agency staff and contractors, are required to:

- a) always act honestly and with integrity and to safeguard the Council's resources for which they are responsible; and
- b) comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

9.6.3 Scope of this Policy

This policy applies to all Council activities. For partners, joint ventures, and suppliers, we will require the adoption of principles (and will seek to promote the adoption of formal policies) that are consistent with the principles set out in this policy.

9.6.3.1

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels, in every service.

9.6.3.2

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Councillors volunteers and consultants.

9.6.4 Commitment

We commit to:

- a) setting out a clear anti-bribery policy and keeping it up to date.
- b) making all Officers aware of their responsibilities to always adhere strictly to this policy.
- c) training all Officers to recognise and avoid bribery by themselves and others.
- d) encouraging its Officers to be vigilant and to report any suspicions of bribery. We will provide them with suitable channels of communication and make sure sensitive information is treated appropriately.
- e) investigating instances of alleged bribery and helping police and other appropriate authorities in any resultant prosecution.
- f) taking firm action against any individual(s) involved in bribery.
- g) including appropriate clauses in contracts to prevent bribery.

9.6.5 The Bribery Act

We define bribery as ‘an incentive or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage’.

9.6.5.1

There are four key offences under the Act:

- a) bribery of another person (section 1).
- b) accepting a bribe (section 2).
- c) bribing a foreign official (section 6); and
- d) failing to prevent bribery (section 7).

9.6.5.2

The [Bribery Act 2010](#) makes it an offence to:

- Offer, promise or give a bribe (Section 1).
- Receive, or accept a bribe (Section 2).
- Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.
- There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

9.6.5.3

The guidance states that a “commercial organisation” is anybody formed in the United Kingdom and “it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made.” Therefore, the Council is a “commercial organisation”.

9.6.6 Adequate Procedures

Whether the procedures are adequate will be a matter for the courts to decide on a case-by-case basis.

Adequate procedures need to be applied fairly, based on the level of risk of bribery in the organisation. It is for individual organisations to determine fair procedures in the recommended areas of six principals.

These principles are not prescriptive. They are intended to be flexible, and outcome focussed, allowing for the different circumstances of organisations. Small organisations will, for example, face different challenges to those faced by large multi-national enterprises.

The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

9.6.7 Proportionate Procedures

An organisation’s procedures to prevent bribery by persons associated with it are equal to the bribery risks it faces and to the nature, scale, and complexity of the organisation’s activities. They are also clear, practical, accessible, effectively implemented and enforced.

9.6.8 Top Level Commitment

The Chief Executive, Directors, the Monitoring Officer, and Councillors are committed to preventing bribery by persons associated with it. Bribery is never acceptable.

9.6.9 Risk Assessment

We will assess the nature and extent of exposure to potential external and internal risks of bribery on its behalf by persons associated with it.

The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

All managers within the Council must ensure that appropriate risk assessments are carried out in relation to the work carried out by their staff.

9.6.10 Due Diligence

We will apply due diligence procedures, taking an equal and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation. This is to mitigate identified bribery risks. All staff involved in managing commercial activities must ensure that appropriate due diligence is carried out before the Council enters a business relationship with another organisation.

9.6.11 Communication (including training)

We will seek to ensure that our bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is equal to the risks it faces.

9.6.12 Monitoring and Review

We monitor and review procedures designed to prevent bribery by persons associated with it and make improvements where necessary. We are committed to equal implementation of these principles.

9.6.13 Bribery is not tolerated.

It is unacceptable to:

- a) give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- b) give, promise to give, or offer a payment, gift or hospitality to a government official, agent, or representative to "facilitate" or expedite a routine procedure.
- c) accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- e) retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.
- f) engage in activity in breach of this policy.

9.6.14 Facilitation Payments

Facilitation payments are unofficial payments made to public officials to secure or expedite actions.

Facilitation payments are not tolerated and are illegal.

9.6.15 Gifts and Hospitality

The Council's Gifts and hospitality policy is included in the Code of Conduct - Officers must make sure:

- a) when acting in an official capacity, they must not give the impression that their conduct both inside and outside work with any person or organisation is influenced by the receipt of gifts, rewards, and hospitality or any other such consideration.
- b) they think about the circumstances in which offers are made and are aware that they may be regarded as owing a favour in return.
- c) they have permission from their line managers before accepting such offers and are aware that the offers may have to be returned or refused.

- d) that when gifts or hospitality must be declined, those making the offer must be courteously but firmly informed of the procedures and standards operating within the Council; and,
- e) all offers regardless of value and whether or not accepted, must be recorded in the Gifts and Hospitality register.

9.6.15.1

How an employee must react to an offer depends on the type of offer, the relationship between the parties involved, and the circumstances in which the gift or hospitality is offered:

- a) Officers must not be seen to be acting in their own personal interests and need to be careful that their behaviour cannot be misinterpreted.
- b) when receiving authorised gifts/hospitality, Officers must be particularly sensitive as to its timing in relation to decisions which we may be taking affecting those providing the hospitality.
- c) an offer of a bribe or commission made by contractors, their agents or by a member of the public must be reported to the line manager and the Monitoring Officer. Hospitality from contractors must also be avoided where Officers / team are singled out for example Christmas lunch etc, this may be perceived as preferential treatment; and
- d) Officers must not accept significant personal gifts from the contractors and outside suppliers. Although the Council may wish to allow Officers to keep insignificant items of token value such as pens, diaries, etc not exceeding the value of £25. The most common form of gift is the offer of wine and chocolates etc. In general, these are shared out among colleagues and provided the offers are reasonable, for example, a single bottle of wine, they may be accepted. It is important that all offers are recorded in the Gifts/Hospitality Register including those that are offered and not accepted. Directors must remind their staff of the process to be followed with regards to gifts and hospitality.

9.6.15.2

No one working for, employed by, or providing services on behalf of the Council is to make, or encourage another to make any personal gain out of its activities in any way. Any person becoming aware of a personal gain being made at the expense of the Council, contractors or the public must follow the Whistleblowing procedures on the Council's website: [Whistleblowing \(wokingham.gov.uk\)](http://Whistleblowing(wokingham.gov.uk))

9.6.15.3

Officers may only accept offers of hospitality if there is a genuine need to impart information or represent the Council in the community. Offers to attend purely social or sporting functions may only be accepted when these are part of the life of the community or where the authority should be seen to be represented.

All hospitality must be properly authorised and recorded in the Gifts/Hospitality Register.

9.6.15.4

Officers may accept hospitality when attending relevant conferences and courses where it is clear the hospitality is corporate rather than personal, where consent is given in advance and where it is satisfied that any purchasing decisions are not compromised.

Where visits to inspect equipment, etc. are required, Officers must make sure that their service meets the cost of such visits to avoid putting at risk the integrity of further purchasing decisions.

9.6.15.5

The acceptance of gifts and hospitality may be a subject of criticism placing the Council in a position that it must defend such action. Consequently, it is essential that all offers and details of gifts and hospitality be recorded in the Gifts & Hospitality Register which will be held by the Director or nominated Manager.

9.6.16 Public Contracts and Failure to Prevent Bribery

Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically and permanently banned from competing for public contracts where it is convicted of a corruption offence.

Organisations that are convicted of failing to prevent bribery are not automatically banned from participating in tenders for public contracts. This organisation has the discretion to exclude organisations convicted of this offence.

9.6.17 Employee Responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All Officers are required to avoid activity that breaches this policy.

Officers must:

- a) ensure that they read, understand, and comply with this policy; and
- b) raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

As well as the possibility of civil and criminal prosecution, Officers that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

9.6.18 Raising a Concern

We are committed to making sure everyone has a safe, reliable, and confidential way of reporting any suspicious activity.

We want all Officers to know how they can raise concerns as we all have a responsibility to help detect, prevent, and report instances of bribery.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

9.6.18.1

There are multiple channels to help you raise concerns – these are explained in [Chapter 9.5 the Whistleblowing Policy](#).

Officers who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the consequences.

We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

For the avoidance of doubt, reports made in good faith will, therefore, be treated as Whistleblowing and gain the protection that entails.

9.6.18.2

We are committed to ensuring no one suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

If you have any questions about these procedures, please contact the Monitoring Officer.

9.6.19 Other Relevant WBC Policies

[Anti-Fraud and Anti-Corruption Policy, Chapter 9.4](#)

[Anti-Money Laundering Policy, Chapter 9.7](#)

[Officers' Code of Conduct – Constitution: Chapter 11.4](#)

[Whistleblowing Policy, Chapter 9.5](#)

[Procurement and Contract Rules and Procedures \(Constitution - Section 13\)](#)

[Code of Conduct for Councillors - Constitution: Chapter 9.2](#)

CHAPTER 9.7 - ANTI-MONEY LAUNDERING POLICY

9.7.1 Introduction

Money laundering legislation requires local authorities to establish internal procedures to prevent the use of their services for money laundering. Money laundering in the UK is primarily governed by the following legislation:

- a) the Terrorism Act 2000.
- b) the Anti-Terrorist Crime & Security Act 2001.
- c) the Proceeds of Crime Act 2002.
- d) Serious Organised Crime and Police Act 2005.
- e) the Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017; and
- f) Anti Money Laundering Act 2018.

9.7.2 Scope of the Policy

This Policy applies to all Officers and contractors of the Council. It sets out the procedures that must be followed to enable the Council to comply with its legal obligations.

9.7.2.1

Officers are instructed to report any suspicions to the appointed Money Laundering Reporting Officer (MLRO) (see section 5.0) and the MLRO will consider whether the circumstances warrant the completion of a 'suspicious activity report' (SAR), which is then sent to the National Crime Agency.

Failure by an Officer to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them in line with the Council's Disciplinary procedures. It may also render them liable to criminal action if their actions have helped to facilitate money laundering or warned the potential money-launderer of the Council's suspicions.

9.7.3 What is Money Laundering?

The legislation is not limited to major organised crimes, but covers proceeds of all crimes, however small. The primary money laundering offences and prohibited acts under the legislation are:

- a) concealing, disguising, converting, transferring criminal property, or removing it from the UK (section 327 of the 2002 Act); or
- b) entering or becoming concerned in an arrangement which you know, or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328 of the 2002 Act); or
- c) acquiring, using, or possessing criminal property (section 329 of the 2002 Act); or

- d) becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorism Act 2000); or
- e) failing to disclose suspected money laundering.

9.7.3.1

The defence to these offences is to be able to show that the person has made an 'authorised disclosure' to an approved person.

Approved persons are Customs Officers, Police Officers, and the Council's MLRO ([Rule 9.7.6.](#)).

9.7.4 Suspicious Activity

Some indications of suspicious activity are:

- a) any unusually large cash payments.
- b) any overpayment or duplicate payment in cash where the refund is requested by cheque; or
- c) if a 'third party' is involved in any transaction (e.g., someone paying cash to settle someone else's bill).

9.7.4.1

The Council must be alert to large amounts of "Cash" accepted as a payment, which would normally arouse suspicion.

9.7.4.2

Officers involved in Treasury Management and cashiering activities are the most likely to encounter attempts to launder money, but all staff must be alert to the possibility.

9.7.4.3

All organisations and each Officer are required by law to try to prevent and to report any attempts to 'launder' money (i.e., to use the proceeds of crime in apparently legitimate business transactions).

9.7.4.4

Potentially, any Officer could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.

9.7.5 The Council's Obligations

Organisations conducting "relevant business" must:

- a) appoint a MLRO to receive disclosures from Officers of money laundering activity (their own or anyone else's).
- b) implement a procedure to enable the reporting of suspicions of money laundering.

- c) maintain client identification procedures in certain circumstances; and
- d) maintain record keeping procedures.

9.7.6 The Money Laundering Reporting Officer (MLRO)

If you have any suspicions, you must contact the MLRO. The Council's nominated MLRO is the Section 151 Officer (Deputy Chief Executive and Director of Resources and Assets).

9.7.7 Disclosure Procedure

Reporting to the MLRO: - Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO.

To gain the protection from prosecution of having made a disclosure, it must be made as soon as reasonably practicable and must be within "hours" of the information coming to your attention, not weeks or months later. Should you not make a prompt disclosure, you may be liable to prosecution.

Disclosure must always be made in writing on the AML1 form, which is available on the shared drive.

9.7.7.1

Once you have reported the matter to the MLRO, you must follow any directions they give you. You must NOT make any further enquiries into the matter yourself.

9.7.7.2

Similarly, at no time and under no circumstances may you voice any suspicions to the person(s) whom you suspect of money laundering, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of "tipping off".

Do not make any reference on a client file to a report having been made to the MLRO. Should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

9.7.7.3

On receipt of the disclosure the MLRO will:

- a) consider the report and make such further enquiries as are necessary to form a view on whether a person is engaged in money laundering.
- b) consider all other relevant information in making this judgement.
- c) ensure that nothing is done which could alert the person or business concerned that a report and an investigation could ensue.
- d) make a report to National Crime Agency, if appropriate, making full notes of the reasons for doing so.

- e) co-operate with any enquiries made by the proper authorities; and
- f) maintain all records of disclosures and reports for at least five years.

9.7.8 Client Identification Procedure

Each area of the Council conducting relevant business where a business relationship is to be established and an account is to be opened or a one-off transaction or series of linked transactions amounting to 15,000 Euros (approximately £10,000) or more must maintain procedures which:

- a) require satisfactory evidence of the identity of both internal and external clients at the outset of the matter.
- b) require that if satisfactory evidence of identity is not obtained at the outset of the matter, then the business relationship or one-off transaction(s) cannot precede any further.
- c) recognise the greater potential for money laundering when the client is not present; and
- d) require that where a client appears to act for another that reasonable measures are taken to establish the identity of that person.

Officers involved in Treasury Management must make sure that all dealings are carried out in accordance with the Treasury Management Strategy and Treasury Management Policies which make sure that transactions are only undertaken with approved counterparties.

9.7.9 Record Keeping Procedures

Each area of the Council conducting relevant business must maintain records for at least five years of:

- a) client identification evidence obtained; and
- b) details of all relevant business transactions carried out for clients

The precise nature of the records is not prescribed by law. However, they must be capable of providing an audit trail.

9.7.10 Adoption and Amendment of the Policy

This previous version of the Policy was agreed by the Constitution Review Group on 17 September 2020 from which it came into immediate effect. This revised version replaces all previous policies on these subjects.

9.7.11 Further Information and Advice

For any further information or guidance, please contact the MLRO.

CHAPTER 9.8 – ENFORCEMENT SANCTIONS POLICY

Refer to separate Policy document

CHAPTER 9.9 – ACQUISITION OF COMMUNICATIONS DATA AND USE OF COVERT SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCES POLICY

(Regulation of Investigatory Powers Act 2000/Investigatory Powers Act 2016)

9.9.1 Introduction

Officers and Officers of (and contractors working on behalf of) Wokingham Borough Council (“the Council”) may, during their investigatory, regulatory and enforcement duties, need to make observations of persons in a covert manner, to use a Covert Human Intelligence Source or to acquire Communications Data. These techniques may be needed whether the subject of the investigation is a member of the public, the owner of a business or a Council employee.

By its very nature, this sort of action is potentially intrusive and so it is extremely important that there is a very strict control on what is appropriate. Where such action is needed, it is important that it is properly regulated to comply with Legislation and to protect the individual’s rights of privacy.

Privacy is a right, but in any democratic society, it is not an absolute right. The right to a private and family life, as set out in the European Convention on Human Rights, must be balanced with the right of other citizens to live safely and freely, which is the most basic function that every citizen looks to the state to perform.

Drawing on the principles set out in the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Data Protection Act 2018, this policy sets out the Council’s approach to Covert Surveillance, the use of Covert Human Intelligence Sources and the acquisition of Communications Data.

The policy also sets out Councillors’ oversight of this area, adopts a set of procedures and appoints appropriate officers to ensure that these areas are properly controlled and regulated.

9.9.2 Policy

All Covert Surveillance, the use of Covert Human Intelligence Sources (informants) and the acquisition of Communications Data by those working for or on behalf of this Council (investigators) will be carried out in accordance with this policy and the associated procedure (the RIPA Procedure).

Any Councillor or Officer who deliberately or recklessly breaches this policy will normally be considered to have committed an act of gross misconduct and will be dealt with accordingly.

9.9.2.1

In so far as the Regulation of Investigatory Powers Act (RIPA) allows, Covert Surveillance and the use of Covert Human Intelligence Sources (informants) will always be subject to the RIPA application process. (This does NOT affect monitoring activities where the actions undertaken do not amount to covert surveillance.)

Where Officers wish to undertake covert surveillance or use informants but where RIPA is not available, a similar process of considering the balance and necessity of any such activities must be carried out before the activities are undertaken and approval gained from a RIPA authorising officer.

Officers are instructed to consider when online investigations, where actions go beyond the scope of *open-source* enquiries, would meet the criteria for covert investigations and to obtain relevant authorisations in those cases.

9.9.2.2

When receiving Communications Data, Officers are instructed to use those set out in the IPA and the associated *Communications Data Code of Practice*, unless they are doing so with the consent of the data subject.

DPA requests and other powers may NOT be used to seek the disclosure of Communications Data. Communications data may only be obtained using IPA powers for the applicable crime purpose. (Note that the guidance in the statutory code of practice takes precedence over any contrary content of a public authority's internal advice or guidance.)

9.9.2.3

The Council resolves to maintain membership of the *National Anti-Fraud Network*, so that the relevant sections of the IPA and the associated *Communications Data Code of Practice* may be complied with.

9.9.3 Appointments

The Council appoints the Assistant Director Governance as the Senior Authorising Officer (SAO) for RIPA purposes and as Senior Responsible Officer (SRO) for all purposes under RIPA and IPA.

9.9.3.1

The Council appoints the Head of Internal Audit and Investigation as the RIPA Monitoring Officer (RMO) to monitor the use of covert techniques within this Council (whether using the RIPA or non-RIPA processes) and reports to Councillors on the activities the policy covers.

They are also directed to make sure that appropriate training is made available to RIPA Authorising Officers (AOs) IPA Verifying Officers (VOs) and applicants when it is needed.

9.9.3.2

The Council directs that only those appointed by this policy as AOs and VOs may authorise covert surveillance, the use of informants or the acquisition of communications data. In so far as is practical and possible, the Council intends that the same Officers should be nominated as both AOs and VOs.

9.9.3.3

The Council appoints Directors and Assistant Directors to meet the training criteria as AOs, subject to a maximum number of six (including the SAO) at any given time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

9.9.3.4

For the Council's RIPA authorisations to take effect, they must be approved by a Magistrate. The Chief Legal Officer is instructed to authorise all those who may need to apply to a Magistrate to appear for that purpose for the Council. The RMO is directed to maintain a list, as part of the RIPA Procedures, of all those so authorised.

9.9.3.5

The Council appoints Directors and Assistant Directors who meet the training criteria as VOs, subject to a maximum number of six at any given time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

9.9.4 Oversight and Reporting

The RMO shall report to Councillors on the use of RIPA regulated activity by Officers of the Council every six months. Such a report shall be presented to the Councillors (or to such a sub-committee as the Full Council shall deem appropriate to constitute for oversight purposes) by the RMO and the SRO.

The report must not contain any information that identifies specific persons or operations but must be clear about the nature of the operations carried out and the product obtained.

9.9.4.1

Alongside this report, the RMO and SRO will report details of 'non-RIPA' surveillance undertaken, or informants used in precisely the same way.

9.9.4.2

Elected Councillors shall have oversight of the Council's policy and shall review that policy annually should it be deemed by the RMO that significant changes have been made.

At that review (or following any six-monthly report), Councillors shall make such amendments as they deem necessary to the Council's policy and may give such directions as they deem necessary to the RMO and SRO in order to make sure that the Council's policy is followed.

9.9.4.3

Councillors shall not interfere in individual authorisations. Their function is to, with reference to the reports, satisfy themselves that the Council's policy is robust and that it is being followed by all Officers involved in this area. Although it is Councillors who are accountable to the public for council actions, it is essential that there should be no possibility of political interference in law enforcement operations.

9.9.5 RIPA/IPA Procedures

The RMO is instructed to create a set of procedures that provide instruction and guidance for the use of surveillance and informants, and the acquisition of communications data. They are further instructed to maintain and update the RIPA/IPA Procedures, making sure that they continue to be both lawful and examples of best practice.

9.9.5.1

The reference to 'maintain and update' in this section includes the duty to remove AOs/VOs from the list if they cease to be employed in a relevant role or if they no longer satisfy the requirements to be an AO/VO. It also includes the right to add names to that list so long as:

- a) they satisfy the policy and regulatory requirements; and
- b) at no time does the number of AOs exceed six.

If a change is required, in the opinion of the RMO, to comply with this part, they are authorised to make that change without prior approval from any person.

The RMO must report any changes made under this section to Councillors when they undertake their annual oversight of the Policy, as set out above.

9.9.5.2

All managers are required to make sure that their staff understand that covert investigation techniques may only be used in accordance with this policy and the associated procedures.

9.9.6 Training

In accordance with this Code of Practice, AOs/VOs must receive full training in the use of their powers. They must be assessed at the end of the training, to ensure competence, and must undertake refresher training at least every two years.

Training will be arranged by the RMO. Designated Officers who do not meet the required standard, or who exceed the training intervals, are prohibited from authorising applications until they have met the requirements of this paragraph.

AOs and VOs must have an awareness of appropriate investigative techniques, Data Protection and Human Rights Legislation.

9.9.6.1

Those Officers who carry out surveillance work must be adequately trained prior to any surveillance being undertaken. A corporate training programme has been developed to ensure that AOs, VOs, and staff undertaking relevant investigations are fully aware of the legislative framework.

9.9.6.2

Senior management who have no direct involvement with covert investigation will undertake a briefing at least biannually, to make sure that they have a good understanding of the activities that might fall into the definition of covert investigation techniques.

9.9.7 Exceptions, Notes and Complaints

CCTV cameras operated by this Council are not covered by this policy, unless they are used in a way that constitutes covert surveillance; only under those circumstances must the provisions of this policy and the RIPA Procedures be followed.

Interception of communications, if it is done as part of normal business practice, does NOT fall into the definition of acquisition of communications data. (This includes but is not limited to opening of post for distribution, logging of telephone calls, for the purpose of cost allocation, reimbursement, benchmarking, etc.; logging emails and internet access for the purpose of private reimbursement.)

9.9.7.1

To make a complaint about anything to which this policy applies, this should be through the Council's Complaints Procedure.

Any complaint received will be treated as serious and investigated in line with this Council's policy on complaints.

Regardless of this, the detail of an operation, or indeed its existence, must never be admitted to as part of a complaint. This does not mean it will not be investigated, just that the result of any investigation would be entirely confidential and not disclosed to the complainant.

9.9.8 Adoption and Amendment of the Policy

This previous version of the Policy was agreed by the Constitution Review Group on 17 September 2020 from which it came into immediate effect. This revised version replaces all previous policies on these subjects.

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APPENDIX B (TRACKED CHANGES)

CHAPTER 9.4 – CORPORATE ANTI-FRAUD AND ANTI-CORRUPTION POLICY

9.4.1 Introduction

Wokingham Borough Council (The Council) aims to deliver high quality services and provide value for money by being fully accountable, honest and open in everything that it does.

Fraud and corruption undermine these aims by diverting resources from **legitimate** activities, damaging public confidence in the Council and **adversely** affecting staff morale.

~~To achieve its strategic priorities,~~ the Council seeks to **makeen** sure that measures are taken to prevent, detect and investigate fraudulent or corrupt acts.

The aim of this policy is to reduce losses from fraud and corruption to an absolute minimum.

The Council has a zero tolerance policy regarding fraud and corruption. ~~It has adopted the following approach.~~

~~“In administering its responsibilities the Council is opposed to fraud and corruption whether it is attempted on or from within the Council and is committed to preventing, deterring, detecting and investigating fraud and corruption.”~~

This policy is particularly relevant to:

- a) ~~elected Members~~**Councillors**;
- b) ~~officer~~**employees**;
- c) contractors;
- d) consultants;
- e) suppliers;
- f) service users;
- g) customers (including the public); and
- h) partner organisations.

9.4.2 Defining Fraud

The Council defines “fraud” as an intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for financial gain.

This may involve, but is not limited to:

- a) falsification or alteration of accounting records or other documents;
- b) misappropriation of assets or theft;
- c) suppression or omission of the effects of transactions from accounting records of other documents;

- d) recording transactions which have no substance; and
- e) wilful misrepresentation of transactions or of the Council's situation~~state of affairs~~.

9.4.3 Defining Corruption

The Council defines corruption as the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the Council, its ~~Members~~ Councillors or Officers.

Areas where corrupt practices may occur include, but are not limited to:

- a) tendering and awarding of contracts;
- b) financial~~pecuniary~~ interests of ~~Members~~ Councillors and Officers;
- c) the award of permissions, planning consents and licenses; and
- d) the disposal of assets.

9.4.4 Framework for Prevention and Detection

It is a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

9.4.5 Key Principles and Culture

The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside of the authority. The Council is committed to creating a culture of opposition to fraud and corruption. The Council is determined that the authority meets the expectations of the Committee on Standards of Public Life and is committed to the ten general principles which govern standards of conduct in local government, namely:

- a) selflessness;
- b) honesty and integrity;
- c) objectivity;
- d) accountability;
- e) openness;
- f) personal judgement;
- g) respect for others;
- h) duty to uphold the law;
- i) stewardship; and
- j) leadership.

9.4.5.1

The Council requires ~~Members~~ Councillors (elected and co-opted) and ~~Officers~~ employees (including agency staff, ~~consultants~~ consultants, and contractors) to lead by example in ensuring effective opposition to fraud and corruption. This includes ensuring adherence to legislation, local rules and regulations, National and Local Codes of Conduct and that all procedures and practices are beyond reproach.

9.4.6 Raising Concerns

~~Officers~~ Employees at all levels must be alert to the possibility of fraud and corruption. They ~~are need to~~ required, and are positively encouraged to raise any concerns relating to fraud and corruption which they become aware of.

These can be raised in any way that the ~~Officer~~ employee prefers, including with their line manager, through a Director, with the ~~Internal~~ Shared Audit and Investigation Service or through the Council's Whistleblowing Policy. Whichever route is chosen, the employee can be assured that concerns raised in good faith will be fully investigated and, wherever possible, those raising concerns will be dealt with in confidence.

When management receive concerns from ~~employees~~ Officers or others regarding potential fraud or corruption, they must immediately contact the Assistant Director, Governance (and Monitoring Officer) with details of the concerns. The Assistant Director, Governance will make ~~initial~~ preliminary enquiries and in consultation with the Section 151 Officer will determine whether there are grounds for an investigation.

Councillors, service users, suppliers, partner organisations and members of the public are encouraged to report any concerns. These concerns about fraud and corruption should be reported either directly to the Assistant Director, Governance or via the Council's Whistleblowing Policy.

If ~~Officers~~ employees feel that they are unable to use internal routes then they can contact the Council's external auditor:

~~Ernst and Young~~

~~Helen Thompson, Wessex House, 19 Threefield Lane, Southampton, SO14 3QB,~~

~~Email hthompson2@uk.ey.com~~

~~Tel 07974 007332~~

External Audit

Contact details can be obtained from Wokingham Borough Council Annual Accounts, published on Council Website

Although the Council encourages its ~~Officers~~ staff to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through the Council's disciplinary code.

9.4.7 Corporate Governance

The main corporate policies and procedures which formulate the Council's framework for minimising risk and the prevention of fraud and corruption include:

- a) Anti-Fraud and Anti-Corruption Policy;
- b) Internal Audit Charter;
- c) Contract and Procurement Regulations
- d) Financial Regulations;
- e) Human Resources Policy and Guidance for Discipline;
- f) Human Resources Policy for Conduct and Personal Behaviour;
- g) Human Resources Policy for Recruitment and Retention;
- h) Member's Code of Conduct;
- i) Money Laundering Policy;
- j) Officer's Code of Conduct;
- k) Prosecution and Sanction Policy;
- l) Risk Management Strategy;
- m) Scheme of Delegation;
- n) Whistleblowing Policy; and
- o) Anti-Bribery Policy

9.4.8 Corporate Responsibility

Assistant Directors must ensure that all ~~Officers~~~~employees~~ in their service are familiar with the corporate policies and procedures listed in [Rule 9.4.7.](#);

~~In addition, Assistant Directors must ensure that all Officers are aware of~~ ~~to~~ any other relevant rules and regulations specific to their service.

Failure to adhere to these policies and procedures could result in the ~~start~~~~instigation~~ of disciplinary procedures.

9.4.9 Recruitment

The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the effective recruitment of staff and therefore takes pre-employment screening seriously.

~~Officer~~~~Employee~~ recruitment is required to be in accordance with procedures laid down by the ~~Assistant Director – HR & OD~~~~Lead Specialist HR~~. As part of these procedures, particular reference is made to:

- a) verifying the identity of the applicant;
- b) obtaining satisfactory references prior to appointment;
- c) verifying the applicant is able to legitimately work in the UK;
- d) verifying and retaining copies of certificates for stated qualifications; and
- e) undertaking Disclosure Barring Service checks where appropriate.

These practices apply to all permanent appointments including those where employees have entered the organisation as an agency worker or consultant in the first instance.

9.4.10 System of Internal Control

The risk of fraud and corruption can be minimised by good financial management, sound internal control systems, effective management supervision, and by raising public, ~~Member~~ and ~~Officer~~employee awareness of fraud.

9.4.10.1

Internal control is the whole system of controls, financial and otherwise, established to provide reasonable assurance of:

- a) proper aims and objectives;
- b) efficient and effective operations;
- c) reliable management information and reporting;
- d) ~~genuine~~legitimate expenditure;
- e) compliance with laws and regulations;
- f) performance management; and
- g) security of assets and income.

9.4.10.2

Weaknesses in the design and operation of administrative and financial internal control systems may increase the risk of fraud. Systems must contain efficient, effective, and well documented internal controls that cover the following:

- a) adequate segregation of duties;
- b) proper authorisation and approval procedures;
- c) adequate physical security over assets; and
- d) reliable monitoring and reporting arrangement

9.4.10.3

It is management's responsibility to install adequate internal controls and rectify weaknesses if they occur. To help management discharge this responsibility, systems may be subject to review by both Internal and External Audit.

Auditors are responsible for reporting to management on significant weaknesses in the control environment, including ~~flaws~~deficiencies in the operation of internal controls and highlighting exposure to the risk of fraud.

High risk audit concerns are promptly followed up to ~~make~~ensure issues ~~that are~~ highlighted are appropriately actioned.

Management must ~~bring about~~instigate occasional ~~preventive~~deterrent compliance checks on the operation of internal controls within their service and are encouraged to seek advice from the ~~Internal~~Shared Audit and Investigation Service on what checks must be carried out. This work must be used to inform the Annual Governance Statement.

9.4.11 Risk Management

Major fraud risks relating to services must be included within local Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

9.4.12 Role of Statutory Officers

The Council has a statutory responsibility, under Section 151 of the Local Government Act 1972, to ensure the proper administration of its financial affairs and also to nominate one of its Officers to take responsibility for those affairs. The Council's nominated Section 151 Officer is the Deputy Chief Executive and Director of ~~Resources and Assets~~Corporate Services.

9.4.12.1

The Council's Monitoring Officer (Assistant Director, Governance) is responsible under Section 5 of the Local Government and Housing Act 1989 to guard against, inter alia, illegality, impropriety and maladministration in the Council's affairs.

9.4.13 Effective Action

Responsibility for investigating suspected fraud and corruption against the Council rests with the ~~Internal~~Shared Audit and Investigation Service. This is to ~~make~~ensure that the investigation is performed only by properly trained ~~O~~officers in accordance with the appropriate legislation.

9.4.14 Procedure

All referrals will initially be risk assessed and material instances of fraud or irregularity in the Council will be referred to the ~~Internal~~Shared Audit and Investigation Service.

The ~~Internal~~Shared Audit and Investigation Service will ~~make~~ensure the following objectives are met:

- a) Investigations are undertaken fairly, objectively and in accordance with relevant laws and regulations, so as to avoid jeopardising the outcome on legal and procedural technicalities;
- b) Evidence and unused material is secured and protected, in accordance with the law and best practice;

- c) All reasonable lines of enquiry are followed to establish whether or not there is a case to answer;
- d) Conclusions and recommendations for action are always based on (and, where appropriate, supported by) the evidence gathered during the investigation;
- e) The case is reported and prepared in an appropriate format, in line with the relevant procedures; in the case of criminal process, this means the *National File Standard*;
- f) Appropriate sanctions and redress is sought against any and all individuals and organisations that seek to defraud the Council.

9.4.15 Completion

Once an investigation is completed, the ~~Internal~~Shared Audit and Investigation Service may have responsibilities in relation to:

- a) recommending improvements to systems;
- b) attendance at disciplinary hearings and tribunals;
- c) attendance at Court as a witness; and
- d) reporting to the Audit Committee.

Conclusions will be based on fact allowing management to take forward any required disciplinary and / or criminal proceedings as they determine appropriate.

9.4.16 Disciplinary

The Council has ~~in place~~ disciplinary procedures in place, which must be followed whenever staff are suspected of committing a fraudulent or corrupt act. The disciplinary procedures are set out in the Disciplinary Policy and Guidance. The Chief Executive has overall responsibility for ensuring that the disciplinary procedure is managed effectively. Line managers, under the overall direction of an Assistant Director are responsible for day to day management and ensuring compliance with the Disciplinary Policy and Guidance.

9.4.17 Reporting and Publicity

Incidents of fraud and corruption are reported through the following ways~~mechanisms~~:

- a) Corporate Leadership Team;
- b) Audit Committee; and
- c) External Auditors ~~(currently Ernst and Young)~~.

Where evidence of fraud and corruption is found, appropriate sanctions will be sought in line with the Council's ~~Enforcement Sanctions Case Disposal~~ Policy.

The details of any proven act of fraud or corruption, including action taken by the Council will be publicised to Officers~~employees~~, Members~~Councillors~~ and the public.

This is aimed at preventing~~detering~~ further attempts of fraud or corruption by demonstrating the seriousness with which the Council views such cases. In agreement with the Section 151 Officer, Monitoring Officer, the Council will report criminal activity to the Police at the appropriate stage.

9.4.18 Working with Others

The Council will put into place and continue to develop such arrangements, as it deems ~~proportionate and~~ necessary in order to facilitate the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative which matches data across a wide range of public service organisations in order to detect fraud or erroneous payments.

9.4.19 Money Laundering

Money laundering is the process of moving illegally generated funds through a cycle of transformation in order to create the end appearance of legitimately earned funds.

The Proceeds of Crime Act 2002 details the three principal money laundering offences as:

- a) assisting another to retain the benefit of crime;
- b) acquisition, possession or use of criminal proceeds; and
- c) concealing or transferring proceeds to avoid prosecution.

In addition, there are related offences for failing to report where a person has knowledge, suspicion or reasonable grounds for knowledge or suspicion that money laundering has taken place, as well as for tipping off a person that a disclosure has taken place.

Council Officers and ~~Members-Councillors~~ who suspect money laundering activities must report their concern to the Council's nominated Money Laundering Reporting Officer (MLRO), the Section 151 Officer (Deputy Chief Executive and Director of ~~Resources and Assets~~Corporate Services).

The Council has adopted an Anti-Money Laundering Policy; all reports must be made in accordance with that policy.

(Further details are contained in Chapter 9.7 [Anti-Money Laundering Policy](#).)

9.4.20 Conclusion and Review

The Council has ~~in place~~ a clear framework ~~in place~~ of systems and procedures to ~~prevent/deter~~ and investigate fraud and corruption. It will ~~make~~ ensure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.

To this end, the Council maintains a continuous review of these arrangements through, ~~in particular~~ the Audit Committee, the Section 151 Officer (Deputy Chief Executive and Director of ~~Resources and Assets~~Corporate Services), ~~Internal~~Shared Audit and Investigation Service, External Audit, and the Monitoring Officer (Assistant Director, Governance).

9.4.21 Adoption and Amendment of the Policy

This previous version of the Policy was agreed by the Constitution Review Group on 17 September 2020 from which it came into immediate effect. This revised version replaces all previous policies on these subjects.

CHAPTER 9.5 – WHISTLEBLOWING POLICY AND GUIDANCE

9.5.1 Introduction

The Council is committed to delivering high quality services to its customers and expects high standards from its employees and contractors. ~~In order to~~ To maintain those high standards a culture of openness and accountability is ~~vital~~ important. The aims of this policy are:

- a) to encourage you to raise concerns about malpractice within the organisation without fear of reprisal;
- b) to reassure you that your concerns will be taken seriously; and
- c) to provide information about how to raise your concerns and explain how the council will respond.

This policy applies to all Council ~~officer~~employees, former ~~officer~~employees, agency staff and contractors engaged by the Council.

9.5.2 What is Whistleblowing?

~~W~~~~In practical terms,~~ whistleblowing occurs when a concern is raised about danger or illegality that affects others. ~~For example, e.g.~~ clients, members of the public or the Council itself.

As the person “blowing the whistle” you would not usually be directly affected by the danger or illegality. Consequently, you would rarely have a personal interest in the outcome of any investigation into your concerns. This is different from a complaint or grievance.

If you make a complaint or lodge a grievance, you are saying that you personally have been poorly treated. This poor treatment could involve a breach of your individual employment rights or bullying and you are entitled to seek redress for yourself.

A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest. As a result of this, ~~O~~officers-employees will generally be precluded from being able to “blow the whistle” about breaches of ~~their~~his-or-her employment contract. Although an ~~e~~Officeremployee making such a complaint can still use the Council’s grievance policy.

Examples of whistleblowing concerns are:

- a) fraud in, on or by the Council;
- b) offering, taking, or soliciting bribes;
- c) unauthorised use of public funds;
- d) financial maladministration;
- e) the physical, emotional, or sexual abuse of clients;
- f) failure to comply with legal obligations;
- g) endangering of an individual’s health and safety;
- h) damage to the environment;

- i) a criminal offence;
- j) failure to follow financial and contract procedure rules;
- k) showing undue favour to a contractor or a job applicant;
- l) misreporting performance data; or
- m) neglect of people in care.

This Policy does not replace the Council's complaints or grievance procedure

9.5.3 Who must I contact?

Having considered this Policy, an ~~Officer~~employee of the Council, or any other person covered by the Public Interest Disclosure Act (PIDA) 1998, who has serious concerns about any aspect of the Council's work, must in the first instance inform one of the following methods:

a) Inform Line Manager

In many cases, raising concerns with the ~~immediate~~ line manager is the most appropriate route for an ~~Officer~~employee. The line manager must inform the Assistant Director, Governance of the disclosure and an appropriate course of action will be agreed. If this is not a suitable option (for example because the issue may implicate the manager or if the concern has been raised but remains unaddressed) the concern may be raised using one of the other methods.

b) Dedicated Whistleblowing Communication Channels

The ~~Internal~~Shared Audit and Investigation Service have established a dedicated 24 hour answerphone hotline for receiving disclosures.

Hot line number - 0118 974 6550;

Email:- confidential.whistleblowing@wokingham.gov.uk

By Post - Confidential Whistleblowing, ~~Internal~~Shared Audit and Investigations Service, Shute End, Wokingham, RG40 1BN;

~~In person at Shute End by asking for Shared Audit and Investigations Service at reception.~~

c) ~~Internal~~Shared Audit and Investigation Service and Assistant Director, Governance

The ~~Internal~~Shared Audit and Investigation Service can offer confidential independent advice on the use of the Whistleblowing Policy.

If you suspect an ~~Officer~~employee, a member of the public or contractor (in their business dealings with the Council) of fraud or corruption you can contact the ~~Internal~~Shared Audit and Investigation Service who will discuss your concerns with you in complete confidence. If you are in receipt of any allegation involving possible corruption, fraud, or malpractice, you must notify the Assistant Director, Governance immediately ~~on 07747 777298.~~

d) ~~Director Adults, Childrens, Health~~**Children's Services and Director Adult Services**

If you wish to raise a concern involving vulnerable adults or children, you can contact the Council's Adult Safeguarding Hub at adultsafeguardinghub@wokingham.gov.uk

e) **Schools**

You must refer to the whistleblowing arrangements for the individual school. If it is not suitable for the school's Governing Body to deal with, the concern must be raised with the Multi Agency Safeguarding Hub at triage@wokingham.gov.uk

9.5.3.1

Advice and guidance on how matters of concern may be pursued can be obtained from: the Monitoring Officer (Assistant Director, Governance).

9.5.4 Legal Protection

The Public Interest Disclosure Act (PIDA) 1998 – sets out a framework of protection against victimisation or dismissal for workers who blow the whistle (“disclosure”) on criminal behaviour and other specified forms of malpractice.

9.5.4.1

It applies to making a ‘protected’ disclosure in respect of specific types of malpractice, which are:

- a) that a criminal offence has been committed, is being committed or is likely to be committed;
- b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject;
- c) that a miscarriage of justice has occurred, is occurring or is likely to occur;
- d) that the health or safety of any individual has been, is being or is likely to be endangered;
- e) that the environment has been, is being or is likely to be damaged; or
- f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

9.5.4.2

The Act covers internal disclosures to the Wokingham Borough Council as the employer, disclosures to prescribed ‘persons’ such as regulatory bodies (e.g. for health and safety issues, the Health and Safety Executive), and wider disclosures, for example, to the police and the media.

9.5.5 Raising Concerns Outside the Council

In certain circumstances, it may be appropriate to raise concerns outside the Council to the appropriate ‘prescribed regulator’. This may only be done where any disclosure of information that is made in the public interest and where you believe the information is true, i.e. more than just suspicion.

You are advised to discuss your concerns with a legal advisor, trade union or Public Concern at Work before reporting them outside the Council. Examples of prescribed regulators are set out below

- a) The Council's external auditors ~~(Ernst and Young)~~;
- b) Information Commissioner;
- c) Environment Agency;
- d) Health and Safety Executive;
- e) Commissioner of the Inland Revenue;
- f) Ofsted;
- g) General Social Care Council;
- h) Care Quality Commission;
- i) The Commission for Social Care Inspection; and
- j) National Care Standards Commission.

9.5.5.1

As a last resort, you may choose to raise your concern outside the Council to someone other than a prescribed regulator, e.g. to the [Police](#) or your [Member of Parliament](#). You should only do this if, in addition to the conditions above, they meet one of three preconditions. Provided the disclosure is reasonable in all the circumstances and is not made for personal gain, the preconditions are that you:

- a) reasonably believed that you would be victimised if you raised the matter internally within the Council; or
- b) reasonably believed that the matter would be 'covered up' and there is no prescribed regulator; or
- c) have already raised the matter internally or with a prescribed regulator.

9.5.5.2

~~It should be noted that~~ wider disclosures (i.e. to the media) can only be protected where there is a justifiable cause for going wider and where the [particular](#) disclosure is reasonable. The Council therefore encourages concerns to be raised initially using one of the methods described in [Rule 9.5.3](#).

9.5.6 Making a Protected Disclosure

This policy is intended to allow the internal investigation and resolution of any concerns raised. In accordance with the PIDA 1998, to make a 'protected' disclosure the whistleblower ~~must~~[has to](#) meet certain conditions:

- a) A qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest. Therefore, while the employer can seek a declaration from the whistleblower that he or she is not knowingly making false allegations, disciplinary action is likely to be appropriate only where there is clear evidence that the reporting worker has misused the whistleblowing policy.

- b) Disclosure to a regulatory body will be protected where, in addition, the whistleblower honestly and reasonably believes that the information they provide and any allegation contained in it are substantially true.
- c) Disclosure to other external bodies will be protected if, in addition, making it is in all respects reasonable. 'In all respects reasonable' means, in effect:
 - i) the disclosure is not made for personal gain;
 - ii) the whistleblower reasonably believed that they would be victimised if they raised the matter internally;
 - iii) there is no relevant regulatory body;
 - iv) the whistleblower reasonably believed that evidence was likely to be concealed or destroyed;
 - v) the concern has already been raised with the employer and/or relevant regulatory body; and
 - vi) the concern is of an 'exceptionally serious' nature – which in a local government setting could include, say, the alleged abuse of children or vulnerable adults in an authority's care.

9.5.6.1

This may be done orally or in writing. If you are writing, remember to give details of how you can be contacted.

Anonymous disclosures present difficulties for effective investigation. Your identity will be kept strictly confidential if you so ~~request, unless~~request unless disclosure is required by law. However, the Council recognises that despite the dual safeguards of confidentiality and legal protection from recrimination, that individuals may still feel unable to reveal their identity.

In these situations individuals can report their concerns anonymously, but should be aware that these concerns carry less weight with the investigation teams and the disclosure may not be sufficiently detailed to provide a successful investigation. (Those making reports should also note that by concealing their identify it is harder for the Council to ensure that they are protected in accordance with the Act; this is simply because those responsible for putting the Act into effect within the Council will not know who they are.

9.5.6.2

Allegations that are malicious, or allegations made for personal gain, may result in action against the person making them. If an allegation is made in the public interest, but is not confirmed by an investigation, no action will be taken against the person who raised the concern.

9.5.6.3

It is preferable that a whistleblowing concern be raised as soon as there is reasonable suspicion. ~~Officers~~Employees are not expected to investigate the matter themselves or prove that their concern is well-founded.

9.5.6.4

Anyone who has made a protected disclosure will not suffer any detriment ~~because of~~because of as a result of raising their concern unless it is later proved that they knew they were providing

false information. In addition, whistleblowers are protected from suffering a detriment, bullying or harassment from another worker.

Examples of detriment includes (but is not limited to)

- a) failure to promote, if linked to the disclosure;
- b) denial of training;
- c) closer monitoring;
- d) [exclusion](#)~~estracism~~;
- e) blocking access to resources;
- f) unrequested re-assignment or re-location;
- g) demotion;
- h) suspension;
- i) disciplinary sanction;
- j) bullying or harassment;
- k) victimisation;
- l) dismissal;
- m) failure to provide an appropriate reference; or
- n) failing to investigate a subsequent concern.

9.5.7 How will the Council respond?

The action taken by the Council will depend on the nature of the concern. The matters raised may:

- a) be investigated internally;
- b) be referred to the Police;
- c) be referred to the external auditors.
- d) form the subject of an independent inquiry; or
- e) be considered a service issue and referred to the service to respond by any combination of the above.

9.5.7.1

In all cases, where a concern is raised, the contacted [Officer](#) shall notify the Monitoring Officer (Assistant Director, Governance) and ~~the Section 151 Officer (Deputy Chief Executive and Director of Resources and Assets (S151 Officer) Corporate Services)~~. These officers will assess the nature of the concern to decide the appropriate response. Some concerns may be resolved by agreed action without the need for investigation. Any investigation will be overseen by the Assistant Director, Governance.

9.5.7.2

Feedback on the outcome of the concern will be given to the person raising the concern. This feedback may be limited due to legal obligations of confidentiality (i.e. if disciplinary

action is taken against a Council ~~Officer~~employee). The person raising a concern should normally be told:

- a) how and by whom a concern will be handled;
- b) an estimate of how long an investigation will take;
- c) the outcome of the investigation (where appropriate);
- d) that if they believe they are suffering detriment ~~because~~as a result of raising the concern that they should report it;
- e) that he or she is entitled to independent advice.

9.5.8 What if I am Dissatisfied with the Council's Response?

This policy is intended to provide you with an avenue to raise concerns within the Council. However, if at the end of the process an ~~Officer~~employee of the Council, or any other person covered by the Act, is not satisfied with how a disclosure has been dealt with and wishes to pursue matters by means of a wider disclosure, the following points of contact are available to you:

- a) the Chair~~man~~ of the Council's Audit Committee
- b) your local Member (if you live in the ~~area of the~~ borough);
- c) the Council's external auditors. ~~(Ernst and Young);~~
- d) relevant professional bodies or regulatory organisations;
- e) relevant inspection body;
- f) your solicitor; or
- g) the Police.

9.5.8.1

If you do decide to take the matter outside of the Council, you need to ensure that you do not disclose confidential information and that you are 'protected' in accordance with the PIDA 1998 ([Rule 9.5.5](#)). If you wish to raise a concern outside of the Council, you may raise it with an external body from the list of prescribed persons and bodies detailed in the 'Department for Business Innovation & Skills [Blowing the Whistle to a Prescribed Person](#) document

9.5.9 Further Information and Advice

~~Free confidential and~~ Independent advice on '~~Whistleblowing~~' can also be obtained from:

~~Protect~~Public Concern at Work

~~The Green House~~

~~244-254 Cambridge Heath Road,~~

~~London,~~

~~E2 9DS, 3rd Floor, Bank Chambers, 6 - 10 Borough High Street, London, SE1 9QQ~~

~~Email: whistle@pcaw.org.uk~~

~~Tel Advice Line~~General enquiries: 020-3 117 2520

~~Tel Whistleblowing Advice Line: 020 7404 6609~~

~~**Ernst and Young**~~

~~Helen Thompson~~

~~Wessex House~~

~~19 Threefield Lane,~~

~~Southampton, SO14 3QB,~~

~~**Email**~~

~~Tel 07974 007332~~

~~**External Audit**~~

~~Contact details can be obtained from Wokingham Borough Council Annual Accounts,
published on Council Website~~

Professional Body or Trade Union

If you are a member of a professional body or trade union they should be able to advise you on Whistleblowing.

CHAPTER 9.6 - ANTI-BRIBERY POLICY

9.6.1 Policy Statement: Anti-Bribery

Bribery is a criminal offence under the Bribery Act 2010. Wokingham Borough Council ~~does ('we') do not, and will not,~~ pay bribes or offer improper incentives inducements to anyone for any purpose. We do not and will not accept bribes or improper incentives inducements.

9.6.1.1

To use a third party as a means to channel bribes to others is a criminal offence. We do not, ~~and will not,~~ engage indirectly in or otherwise encourage bribery.

9.6.1.2

We are committed to ~~the prevention,~~ deterrence and ~~detection of~~ bribery. We have a zero-tolerance towards bribery and will embed anti-bribery compliance within the Council's usual "business processes". We will NOT treat it as a one-off exercise.

9.6.2 Objective of this Policy

This policy provides a consistent framework to enable the Council officers and councillors to understand and implement arrangements that enable compliance with the anti-bribery rules.

Alongside related policies and key documents, it will also enable Officers and councillors to identify and effectively report any actual or potential breaches of those rules.

All personnel, including those permanently employed, temporary agency staff and contractors, are required to:

- a) always act honestly and with integrity ~~at all times~~ and to safeguard the Council's resources for which they are responsible; and
- b) comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

9.6.3 Scope of this Policy

This policy applies to all ~~of the~~ Council's activities. For partners, joint ventures, and suppliers, we will require the adoption of principles (and will seek to promote the adoption of formal policies) that are consistent with the principles set out in this policy.

9.6.3.1

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels, in every service.

9.6.3.2

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Councillors ~~Members (including independent members)~~, volunteers and consultants.

9.6.4 Commitment

We commit to:

- a) setting out a clear anti-bribery policy and keeping it up to date.
- b) making all employees aware of their responsibilities to always adhere ~~strictly~~ to this policy ~~at all times~~.
- c) training all employees ~~to so that they can~~ recognise and avoid ~~the use of~~ bribery by themselves and others.
- d) encouraging its employees to be vigilant and to report any suspicions of bribery ~~;~~ We will providing them with suitable channels of communication and make sure ensuring sensitive information is treated appropriately.
- e) ~~rigorously~~ investigating instances of alleged bribery and helpassisting police and other appropriate authorities in any resultant prosecution.
- f) taking firm and vigorous action against any individual(s) involved in bribery.
- ~~g) provide information to all employees to report breaches and suspected breaches of this policy.~~
- gh) including appropriate clauses in contacts to prevent bribery.

9.6.5 The Bribery Act

We define bribery as 'an incentiveinducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage'.

9.6.5.1

There are four key offences under the Act:

- a) bribery of another person (section 1).
- b) accepting a bribe (section 2).
- c) bribing a foreign official (section 6); and
- d) failing to prevent bribery (section 7).

9.6.5.2

The Bribery Act 2010 makes it an offence to:-

- Offer, promise or give a bribe (Section 1);
- Receive, or accept a bribe (Section 2).
- Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.
- There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

9.6.5.3

The guidance states that a “commercial organisation” is any body formed in the United Kingdom and “it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made.” Therefore, the Council is a “commercial organisation”.

9.6.6 Adequate Procedures

Whether the procedures are adequate will be a matter for the courts to decide on a case-by-case basis.

Adequate procedures need to be applied ~~fairly proportionately~~, based on the level of risk of bribery in the organisation. It is for individual organisations to determine ~~fair proportionate~~ procedures in the recommended areas of six principals.

These principles are not prescriptive. They are intended to be flexible, and outcome focussed, allowing for the different circumstances of organisations. Small organisations will, for example, face different challenges to those faced by large multi-national enterprises.

The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

9.6.7 Proportionate Procedures

An organisation’s procedures to prevent bribery by persons associated with it are ~~equal proportionate~~ to the bribery risks it faces and to the nature, scale, and complexity of the organisation’s activities. They are also clear, practical, accessible, effectively implemented and enforced.

9.6.8 Top Level Commitment

The Chief Executive, Directors, ~~the Monitoring Officer~~ and ~~Members-Councillors~~ are committed to preventing bribery by persons associated with it. Bribery is never acceptable.

9.6.9 Risk Assessment

We will assess the nature and extent of ~~its~~ exposure to potential external and internal risks of bribery on its behalf by persons associated with it.

The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

All managers within the Council must ensure that appropriate risk assessments are carried out in relation to the work carried out by their staff.

9.6.10 Due Diligence

We will apply due diligence procedures, taking an ~~equal proportionate~~ and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation. ~~This is to, in order to~~ mitigate identified bribery risks. All staff involved in managing commercial activities must ensure that appropriate due diligence is carried out before the Council enters ~~into~~ a business relationship with another organisation.

9.6.11 Communication (including training)

We will seek to ensure that our bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is [equalproportionate](#) to the risks it faces.

9.6.12 Monitoring and Review

We monitor and review procedures designed to prevent bribery by persons associated with it and makes improvements where necessary. We are committed to [equalproportional](#) implementation of these principles.

9.6.13 Bribery is not tolerated.

It is unacceptable to:

- a) give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- b) give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure.
- c) accept payment from a third party that you know, or suspect is offered with the expectation that it will obtain a business advantage for them.
- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- e) retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.
- f) engage in activity in breach of this policy.

9.6.14 Facilitation Payments

Facilitation payments are unofficial payments made to public officials [in-order](#) to secure or expedite actions.

Facilitation payments are not tolerated and are illegal.

9.6.15 Gifts and Hospitality

The Council's Gifts and hospitality policy is included in the Code of Conduct - Employees must [make ensure](#):

- a) when acting in an official capacity, they must not give the impression that their conduct both inside and outside work with any person or organisation is influenced by the receipt of gifts, rewards, and hospitality or any other such consideration.
- b) they think about the circumstances in which offers are made and are aware that they may be regarded as owing a favour in return.
- c) they have permission from their line managers before accepting such offers and are aware that the offers may have to be returned or refused.

- d) that when gifts or hospitality ~~must have to~~ be declined those making the offer must be courteously but firmly informed of the procedures and standards operating within the Council; and
- e) all offers regardless of value and whether or not accepted, must be recorded in the Gifts and Hospitality register.

9.6.15.1

How an employee must react to an offer depends on the type of offer, the relationship between the parties involved, and the circumstances in which the gift or hospitality is offered:

- a) ~~Officers~~employees must not be seen to be acting in their own personal interests and need to be careful that their behaviour cannot be misinterpreted.
- b) when receiving authorised gifts/hospitality, ~~officers~~employees must be particularly sensitive as to its timing in relation to decisions which we may be taking affecting those providing the hospitality.
- c) an offer of a bribe or commission made by contractors, their agents or by a member of the public must be reported to the line manager and the ~~Monitoring Officer, Assistant Director, Governance~~. Hospitality from contractors must also be avoided where employees / team are singled out for example Christmas lunch etc, this may be perceived as preferential treatment; and
- d) ~~Officers~~employees must not accept significant personal gifts from the contractors and outside suppliers. ~~a~~Although the Council may wish to allow employees to keep insignificant items of token value such as pens, diaries, etc not exceeding the value of £25. The most common form of gift is the offer of wine and chocolates etc. In general, these are shared out among colleagues and provided the offers are reasonable, for example, a single bottle of wine, they may be accepted. It is important that all offers are recorded in the Gifts/Hospitality Register including those that are offered and not accepted. Directors must remind their staff of the process to be followed with regards to gifts and hospitality.

9.6.15.2

No one working for, employed by, or providing services on behalf of the Council is to make, or encourage another to make any personal gain out of its activities in any way. Any person becoming aware of a personal gain being made at the expense of the Council, contractors or the public must follow the Whistleblowing procedures on the Council's website: [Whistleblowing \(wokingham.gov.uk\)](http://wokingham.gov.uk)

9.6.15.3

~~Officers~~Employees may only accept offers of hospitality if there is a genuine need to impart information or represent the Council in the community. Offers to attend purely social or sporting functions may only be accepted when these are part of the life of the community or where the authority should be seen to be represented.

All hospitality must be properly authorised and recorded in the Gifts/Hospitality Register.

9.6.15.4

~~Officers~~Employees may accept hospitality when attending relevant conferences and courses where it is clear the hospitality is corporate rather than personal, where consent is given in advance and where it is satisfied that any purchasing decisions are not compromised.

Where visits to inspect equipment, etc. are required, employees must ensure that their service meets the cost of such visits to avoid putting at risk the integrity of ~~further~~subsequent purchasing decisions.

9.6.15.5

The acceptance of gifts and hospitality may be a subject of criticism placing the Council in a position that it ~~must~~has to defend such action. Consequently, it is essential that all offers and details of gifts and hospitality be recorded in the Gifts & Hospitality Register which will be held by the Director or nominated Manager.

9.6.16 Public Contracts and Failure to Prevent Bribery

Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically and ~~perpetually~~permanently ~~banned~~debarred from competing for public contracts where it is convicted of a corruption offence.

Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. This organisation has the discretion to exclude organisations convicted of this offence.

9.6.17 ~~Officers~~Employee Staff Responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All ~~Officer~~employees staff are required to avoid activity that breaches this policy.

~~Officers~~Employees Staff must:

- a) ensure that they read, understand, and comply with this policy; and
- b) raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

As well as the possibility of civil and criminal prosecution, ~~Officer~~employees staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

9.6.18 Raising a Concern

We are committed to ~~making~~ensuring sure everyone has~~that we all have~~ a safe, reliable, and confidential way of reporting any suspicious activity.

We want ~~all~~each and every member of ~~Officer~~employees staff to know how they can raise concerns as we all have a responsibility to help detect, prevent, and report instances of bribery.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

9.6.18.1

There are multiple channels to help you raise concerns – these are explained in [Chapter 9.5 the Whistleblowing Policy](#).

~~Officers~~[Employees](#) ~~Staff~~ who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the [consequences](#)~~repercussions~~.

We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

For the avoidance of doubt, ~~any and all~~ reports made in good faith will, therefore, be treated as Whistleblowing and gain the protection that entails.

9.6.18.2

We are committed to ensuring no one suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

If you have any questions about these procedures, please contact [the Monitoring Officer](#)~~Andrew Moulton, Assistant Director Governance~~.

9.6.19 Other Relevant WBC Policies

~~[Anti-Fraud and Anti-Corruption Policy, Chapter 9.4](#)~~

~~[Anti-Money Laundering Policy, Chapter 9.7](#)~~

~~[Code of Conduct and Finance, Chapter 9.2](#)~~

~~[Whistleblowing Policy, Chapter 9.5](#)~~

~~[Procurement and Contract Rules and Procedures \(Section 13\)](#)~~

~~[Councillor Code of Conduct](#)~~

~~[Anti-Fraud and Anti-Corruption Policy, Chapter 9.4](#)~~

~~[Anti-Money Laundering Policy, Chapter 9.7](#)~~

~~[Officers' Code of Conduct – Constitution: Chapter 11.4](#)~~

~~[Whistleblowing Policy, Chapter 9.5](#)~~

~~[Procurement and Contract Rules and Procedures \(Constitution - Section 13\)](#)~~

~~[Code of Conduct for Councillors - Constitution: Chapter 9.2](#)~~

CHAPTER 9.7 - ANTI-MONEY LAUNDERING POLICY

9.7.1 Introduction

Money laundering legislation requires local authorities to establish internal procedures to prevent the use of their services for money laundering. Money laundering ~~legislation~~ in the UK is primarily governed by the following legislation:

- a) the Terrorism Act 2000;
- b) the Anti-Terrorist Crime & Security Act 2001;
- c) the Proceeds of Crime Act 2002;
- d) Serious Organised Crime and Police Act 2005;
- e) the Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017; and
- f) Anti Money Laundering Act 2018.

9.7.2 Scope of the Policy

This Policy applies to all ~~Officers~~~~employees~~ and contractors of the Council. ~~It~~~~The Policy~~ sets out the procedures that must be followed to enable the Council to comply with its legal obligations.

9.7.2.1

~~Officers~~~~Staff~~ are instructed to report any suspicions to the appointed Money Laundering Reporting Officer (MLRO) (see section 5.0) and ~~it is for~~ the MLRO ~~will~~ consider ~~whether~~ if the circumstances warrant the completion of a 'suspicious activity report' (SAR), which is ~~then~~ sent to the National Crime Agency.

Failure by an ~~an Officer member of staff~~ to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them in ~~line~~accordance with the Council's Disciplinary procedures. It may also render them liable to criminal action, if their actions have helped to facilitate money laundering or warned the potential money-lauderer of the Council's suspicions.

9.7.3 What is Money Laundering?

The legislation is not limited to major organised crimes, but covers proceeds of all crimes, however small. The primary money laundering offences and ~~thus~~ prohibited acts under the legislation are:

- a) concealing, disguising, converting, transferring criminal property, or removing it from the UK (section 327 of the 2002 Act); or
- b) entering ~~into~~ or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328 of the 2002 Act); or
- c) acquiring, using, or possessing criminal property (section 329 of the 2002 Act); or

- d) becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (section 18 of the Terrorism Act 2000); or
- e) failing to disclose suspected money laundering.

9.7.3.1

The defence to these offences is to be able to show that the person has made an 'authorised disclosure' to an approved person.

Approved persons are Customs Officers, Police Officers, and the Council's MLRO ([Rule 9.7.6.](#)).

9.7.4 Suspicious Activity

Some indications of suspicious activity are:

- a) any unusually large cash payments;
- b) any overpayment or duplicate payment in cash where the refund is requested by cheque; or
- c) if a 'third party' is involved in any transaction (e.g. someone paying cash to settle someone else's bill).

9.7.4.1

The Council must be alert to large amounts of "Cash" accepted as a payment, which would normally arouse suspicion.

9.7.4.2

Officers involved in Treasury Management and cashiering activities are the most likely to encounter attempts to launder money but all staff must be alert to the possibility.

9.7.4.3

All organisations and each ~~Officer~~ individual is required by law to try to prevent and to report any attempts to 'launder' money (i.e. to use the proceeds of crime in apparently legitimate business transactions).

9.7.4.4

Potentially, any ~~Officer~~ member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it.

9.7.5 The Council's Obligations

Organisations conducting "relevant business" must:

- a) appoint a MLRO to receive disclosures from employees of money laundering activity (their own or anyone else's);
- b) implement a procedure to enable the reporting of suspicions of money laundering;
- c) maintain client identification procedures in certain circumstances; and
- d) maintain record keeping procedures.

9.7.6 The Money Laundering Reporting Officer (MLRO)

If you have any suspicions, you must contact the MLRO. The Council's nominated MLRO is the Section 151 Officer (Deputy Chief Executive and Director of [Resources and Assets \(S151 Officer\)](#) ~~Corporate Services~~),

Email Graham.Ebers@wokingham.gov.uk or ~~Tel 0118 974 6557.~~

9.7.7 Disclosure Procedure

Reporting to the MLRO: - Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as practicable to the MLRO.

~~In order to~~ To gain the protection from prosecution of having made a disclosure, it the disclosure must be made as soon as reasonably practicable and, ~~in any case,~~ must be within "hours" of the information coming to your attention, not weeks or months later. Should you not make a prompt disclosure, you may be liable to prosecution.

Disclosure must always be made in writing on the AML1 form, which is available on the shared drive.

9.7.7.1

Once you have reported the matter to the MLRO, you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself.

9.7.7.2

Similarly, at no time and under no circumstances may you voice any suspicions to the person(s) whom you suspect of money laundering, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of "tipping off".

Do not, ~~therefore,~~ make any reference on a client file to a report having been made to the MLRO. S—should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

9.7.7.3

On receipt of the disclosure the MLRO will:

- a) consider the report and make such further enquiries as are necessary to form a view on whether a person is engaged in money laundering;
- b) consider all other relevant information in making this judgement;
- c) ensure that nothing is done which could alert the person or business concerned that a report and an investigation could ensue;
- d) make a report to National Crime Agency, if appropriate, making full notes of the reasons for doing so;
- e) co-operate with any enquiries made by the proper authorities; and
- f) maintain all records of disclosures and reports for at least five years.

9.7.8 Client Identification Procedure

Each area unit of the Council conducting relevant business where a business relationship is to be established and an account is to be opened or a one-off transaction or series of linked transactions amounting to 15,000 Euros (approximately £10,000) or more must maintain procedures which:

- a) require satisfactory evidence of the identity of both internal and external clients at the outset of the matter;
- b) require that if satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one off transaction(s) cannot precede any further;
- c) recognise the greater potential for money laundering when the client is not present; and
- d) require that where a client appears to act for another that reasonable measures are taken to establish the identity of that person.

Officers Staff involved in Treasury Management must make sure that all dealings are carried out in accordance with the Treasury Management Strategy and Treasury Management Policies which make sure that transactions are only undertaken with approved counterparties

9.7.9 Record Keeping Procedures

Each area unit of the Council conducting relevant business must maintain records for at least five years of:

- a) client identification evidence obtained; and
- b) details of all relevant business transactions carried out for clients

The precise nature of the records is not prescribed by law. H, however, they must be capable of providing an audit trail.

9.7.10 Further Information and Advice

For any further information or guidance, please contact the MLRO:

Graham Ebers

~~Tel 0118 974 6557 or~~

Email Graham.Ebers@wokingham.gov.uk

CHAPTER 9.9 – ACQUISITION OF COMMUNICATIONS DATA AND USE OF COVERT SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCES POLICY

(Regulation of Investigatory Powers Act 2000/Investigatory Powers Act 2016)

9.9.1 Introduction

Officers and employees of (and contractors working on behalf of) Wokingham Borough Council ("the Council") may, ~~during in the course of~~ their investigatory, regulatory and enforcement duties, need to make observations of persons in a covert manner, to use a Covert Human Intelligence Source or to acquire Communications Data. These techniques may be needed whether the subject of the investigation is a member of the public, the owner of a business or a Council employee.

By its very nature, this sort of action is potentially intrusive and so it is extremely important that there is a very strict control on what is appropriate. ~~Wh and that, w~~ where such action is needed, it is important that it is properly regulated ~~in order~~ to comply with Legislation and to protect the individual's rights of privacy.

Privacy is a right, but in any democratic society, it is not an absolute right. The right to a private and family life, as set out in the European Convention on Human Rights, must be balanced with the right of other citizens to live safely and freely, which is the most basic function that every citizen looks to the state to perform.

Drawing on the principles set out in the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Data Protection Act 2018, this policy sets out the Council's approach to Covert Surveillance, the use of Covert Human Intelligence Sources and the acquisition of Communications Data.

The policy also sets out ~~Members' Councilors'~~ oversight of this area, adopts a set of procedures and appoints appropriate officers to ensure that these areas are properly controlled and regulated.

9.9.2 Policy

~~It is the policy of Wokingham Borough Council (the Council) that a~~All Covert Surveillance, the use of Covert Human Intelligence Sources (informants) and the acquisition of Communications Data by those working for or on behalf of this Council (investigators) will be carried out in accordance with this policy and the associated procedure (the RIPA Procedure).

Any member ~~or~~ Officer ~~or employee~~ who deliberately or recklessly breaches this policy will normally be considered to have committed an act of gross misconduct and will be dealt with accordingly.

9.9.2.1

In so far as the Regulation of Investigatory Powers Act (RIPA) allows, Covert Surveillance and the use of Covert Human Intelligence Sources (informants) will always be subject to the RIPA application process. (This does NOT affect monitoring activities where the actions undertaken do not amount to covert surveillance.)

Where Officers wish to undertake covert surveillance or use informants but where RIPA is not available, a similar process of considering the balance proportionality and necessity

of any such activities must be carried out before the activities are undertaken and approval gained from a RIPA authorising officer.

Officers are instructed to consider when online investigations, where actions go beyond the scope of ~~open source~~ open-source enquiries, would meet the criteria for covert investigations and to obtain relevant authorisations in those cases.

9.9.2.2

When ~~acquiring~~ receiving Communications Data ~~Off~~ officers are instructed to use those set out in the IPA and the associated *Communications Data Code of Practice*, unless they are doing so with the consent of the data subject.

DPA requests and other powers may NOT be used to seek the disclosure of Communications Data. Communications data may only be obtained using IPA powers for the applicable crime purpose. (Note that the guidance in the statutory code of practice takes precedence over any contrary content of a public authority's internal advice or guidance.)

9.9.2.3

The Council resolves to maintain membership of the *National Anti-Fraud Network*, so that the relevant sections of the IPA and the associated *Communications Data Code of Practice* may be complied with.

9.9.3 Appointments

The Council appoints the ~~Assistant Director Governance~~ Chief Executive as the Senior Authorising Officer (SAO) for RIPA purposes and as Senior Responsible Officer (SRO) for all purposes under RIPA and IPA.

9.9.3.1

The Council appoints the ~~Head of Internal Audit and Investigation~~ Assistant Director, Governance as the RIPA Monitoring Officer (RMO) to monitor the use of covert techniques within this Council (whether using the RIPA or non-RIPA processes) and reports to ~~members~~ Councillors on the activities the policy covers.

They are also directed to ~~make~~ ensure that appropriate training is made available to RIPA Authorising Officers (AOs) IPA Verifying Officers (VOs) and applicants when it is ~~needed~~ required.

9.9.3.2

The Council directs that only those appointed by this policy as AOs and VOs may authorise covert surveillance, the use of informants or the acquisition of communications data. In so far as is practical and possible, the Council intends that the same ~~Off~~ officers should be nominated as both AOs and VOs.

9.9.3.3

The Council appoints Directors and Assistant Directors to meet the training criteria as AOs, subject to a maximum number of six (including the SAO) at any given time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

9.9.3.4

~~In order~~ For the Council's RIPA authorisations to take effect they must be approved by a Magistrate. The Chief Legal Officer is instructed to authorise all those who may need to apply to a Magistrate to appear for that purpose for the Council. The RMO is directed to maintain a list, as part of the RIPA Procedures, of all those so authorised.

9.9.3.5

The Council appoints Directors and Assistant Directors who meet the training criteria as VOs, subject to a maximum number of six at any given ~~time~~time. The Council instructs the RMO to maintain a list of all those currently authorised as part of the RIPA/IPA Procedures.

9.9.4 Oversight and Reporting

The RMO shall report to ~~elected Members~~Councillors on the use of RIPA regulated activity by ~~O~~officers of the Council every six months. Such a report shall be presented to the ~~Members~~Councillors (or to such a sub-committee as the ~~F~~ull ~~C~~ouncil shall deem appropriate to constitute for oversight purposes) by the RMO and the SRO.

The report must not contain any information that identifies specific persons or operations but must be clear about the nature of the operations carried out and the product obtained.

9.9.4.1

Alongside this report, the RMO and SRO will report details of 'Non-RIPA' surveillance undertaken or informants used in precisely the same ~~way~~fashion.

9.9.4.2

~~Elected Members~~Councillors shall have oversight of the Council's policy and shall review that policy annually should it be deemed by the RMO that significant changes have been made.

At that review (or following any six-monthly report) ~~elected Members~~Councillors shall make such amendments as they deem necessary to the Council's policy, and may give such directions as they deem necessary to the RMO and SRO in order to ~~make~~ensure that the Council's policy is followed.

9.9.4.3

~~Elected Members~~Councillors shall not interfere in individual authorisations. Their function is to, with reference to the reports, satisfy themselves that the Council's policy is robust and that it is being followed by all officers involved in this area. Although it is elected ~~M~~embers ~~C~~ouncillors who are accountable to the public for council actions, it is essential that there should be no possibility of political interference in law enforcement operations

9.9.5 RIPA/IPA Procedures

The RMO is instructed to create a set of procedures that provide instruction and guidance for the use of surveillance and informants, and the acquisition of communications data. They are further instructed to maintain and update the

RIPA/IPA Procedures, ~~make sure~~ ensuring that they continue to be both lawful and examples of best practice.

9.9.5.1

The reference to 'maintain and update' in this section includes the duty to remove AOs/VOs from the list if they cease to be employed in a relevant role or if they no longer satisfy the requirements to be an AO/VO, ~~and~~ ~~it also includes~~ the right to add names to that list so long as

- a) they satisfy the policy and regulatory requirements; and
- b) at no time does the number of AOs exceed six.

If a change is required, in the opinion of the RMO, ~~in order~~ to comply with this part, they are authorised to make that change without prior approval from any person.

The RMO must report any changes made under this section to ~~Members~~ Councillors when they undertake their annual oversight of the Policy, as set out above.

9.9.5.2

All managers are required to ~~make~~ ensure that their staff understand that covert investigation techniques may only be used in accordance with this policy and the associated procedures.

9.9.6 Training

In accordance with this Code of Practice, AOs/VOs must receive full training in the use of their powers. They must be assessed at the end of the training, to ensure competence, and must undertake refresher training at least every two years.

Training will be arranged by the RMO. Designated ~~O~~officers who do not meet the required standard, or who exceed the training intervals, are prohibited from authorising applications until they have met the requirements of this paragraph.

AOs and VOs must have an awareness of appropriate investigative techniques, Data Protection and Human Rights Legislation.

9.9.6.1

Those ~~O~~officers who ~~actually~~ carry out surveillance work must be adequately trained prior to any surveillance being undertaken. A corporate training programme has been developed to ensure that AOs, ~~VOs~~ and staff undertaking relevant investigations are fully aware of the legislative framework.

9.9.6.2

Senior management who ~~have~~ ~~has~~ no direct involvement with covert investigation will undertake a briefing at least biannually, to ~~make~~ ensure that they have a good understanding of the activities that might fall into the definition of covert investigation techniques.

9.9.7 Exceptions, Notes and Complaints

CCTV cameras operated by this Council are not covered by this policy, unless they are used in a way that constitutes covert surveillance; only under those circumstances must the provisions of this policy and the RIPA Procedures be followed.

Interception of communications, if it is done as part of normal business practice, does NOT fall into the definition of acquisition of communications data. (This includes, but is not limited to opening of post for distribution, logging of telephone calls, for the purpose of cost allocation, reimbursement, benchmarking, etc.; logging eE Mails and internet access for the purpose of private reimbursement.)

9.9.7.1

~~To~~ ~~if any person wishes to~~ make a complaint about anything to which this policy applies, this should be through ~~is invited to use~~ the Council's Complaints Procedure. Any complaint received will be treated as serious and investigated in line with this Council's policy on complaints.

Regardless of this, the detail of an operation, or indeed its existence, must never be admitted to as part of a complaint. This does not mean it will not be investigated, just that the result of any investigation would be entirely confidential and not disclosed to the complainant.

9.9.8 Adoption and Amendment of the Policy

This version of the Policy was agreed ~~prior to its adoption being recommended to Council viaby~~ the Constitution Review Group on 17 September 2020 from ~~which after which~~ it came into immediate effect. It replaces all previous policies on these subjects.

TITLE	CIPFA MANAGEMENT CODE
FOR CONSIDERATION BY	Audit Committee on 29, November 2023
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

<p>OUTCOME / BENEFITS TO THE COMMUNITY To ensure good practice in financial management that support's financial sustainability for the organisation.</p>
<p>RECOMMENDATION The Committee is asked to note and comment on the progress made against the actions previously identified</p>
<p>SUMMARY OF REPORT The CIPFA Financial Management Code (CIPFA FM Code) is a discretionary tool designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The code sets a standard of financial management for local authorities.</p> <p>The Code is based on a series of principles supported by specific standards and statements of practice to provide the strong foundation to:</p> <ul style="list-style-type: none"> • Financially manage the short, medium and long-term finances; • Manage financial resilience to meet foreseen demands on services; and • Financially manage unexpected shocks in financial circumstances. <p>In reviewing itself against the code each local authority should demonstrate that the requirements of the Code are being satisfied. Demonstrating this compliance with the CIPFA FM Code is a collective responsibility of elected members, the Chief Finance Officer and professional colleagues in the leadership team.</p> <p>In March 2023 a report was presented to this committee assessing processes and governance against the code and identifying a number of areas of improvement. This report updates members on progress against those actions.</p> <p>DETAIL</p> <p>The CIPFA FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, the Code requires that a local authority demonstrate that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services.</p> <p>The principles focus on an approach which will assist in determining whether, in applying standards of financial management, an authority is financially sustainable:</p>

- Organisational leadership - demonstrating a clear strategic direction based on a vision in which financial management is embedded into culture
- Accountability - based on medium-term financial planning which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management and includes political scrutiny and the results of both external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management process and is evidenced by prudent use of public resources.

Officers initially undertook a thorough review of current processes and practices against the standards set in the code and identified a number of opportunities to improve the current arrangements. In order to validate findings, an independent internal audit review was then undertaken against the initial officer assessment and again further findings have been added to the list of opportunities. A further internal audit review is planned for 2023/24 to check progress in developing those opportunities identified through the process.

Appendix A shows the councils current assessment against each of the standards. It provides a RAG rating for each area and identifies opportunity for improvement.

Appendix B updates progress made against the improvement plan previously presented to this Committee in March 2023

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision

There are no direct additional financial costs from this report. However, the appropriate financial management skills, governance and processes are critical to the organisations overall financial sustainability and decision making

Cross-Council Implications

The financial management and overall financial sustainability of the organisation are critical across all services

Public Sector Equality Duty

An Equality Impact Assessment is not required for this report

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

There are no direct climate emergency implications from this report

List of Background Papers

None

Contact Graham Cadle	Service Finance
Telephone No Tel:	Email graham.cadle@wokingham.gov.uk

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Financial Management Standard	Current Assessment	RAG	Areas for improvement	
Section 1 – The Responsibilities of the Chief Finance Officer and Leadership Team				
149	<p>A The leadership team is able to demonstrate that the services provided by the authority provide value for money</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved? 	<p>Service delivery and associated resourcing is informed by our Corporate Vision and Council Plan which sets out our local priorities and how we will deliver against them. This plan is based on an assessment of local need and is approved by officer and political leadership teams. Further detail is then explained in local service plans.</p> <p>The MTFs delivers a robust financial plan through a rigorous budget setting process which includes extensive member engagement and challenge through Overview & Scrutiny Cttee. Before all growth, savings, special items and substantial/capital schemes are agreed they are subject to a full business case and appraisal of alternative options (including “do nothing”).</p> <p>Value for money and efficiency approaches/option is further promoted through regular items at CLT/ECLT & Executive briefings, staff forums, Big Chat, wider corporate communications and Council wide commercial workshops.</p> <p>Benchmarking techniques are one of a number of tools used to measure efficiency of services and to identify opportunities for improvement, by comparing key performance measures across services internally or with other authorities. This is an area being further developed alongside other external value measures.</p> <p>The Council's performance framework includes regular monitoring of key projects and our overall budget position to ensure that the key aims of the council are progressed to budget, timescales, and delivering priority outcomes. These are reported to the Corporate Management Team and through Executive</p> <p>The council has a strong record of identifying and delivering financial savings through efficiency, income maximisation and alternative service delivery models. The current efficiency programme (Organisational Foundations) has a strong governance and reporting framework into the Corporate Leadership team and aligned to budget setting.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> Further develop use of benchmarking and other external value measures (Oct 2023). Nov 23 Update – A number of datasets are now in place both for individual services and the council's overall financial position.

Financial Management Standard	Current Assessment	RAG	Areas for improvement	
150		<p>The council's constitution explains how the Council operates and makes decisions efficiently and effectively, clarifying key officer roles, and responsibilities.</p> <p>The MTFP has specific section that details VFM arrangements and there is a Commercial strategy and Procurement strategy agreed by Executive/Council.</p> <p>External auditors provide annual assurance that Value for Money is achieved, through their external VFM opinion.</p> <p>The Council abides by the Transparency Regulations 2015 and provides detailed information on its website in order for external interested parties to undertake their own views as to our efficiency and effectiveness and VFM.</p> <p>All decisions include an Equality Impact Assessment to ensure we do not deliberately or inadvertently discriminate against certain groups or individuals.</p> <p>The organisation has recently implemented a Strategic Procurement and Commissioning board (Officer led) to further ensure improved value for money and cost savings through its procurement, commissioning and contract management processes. This Board is supported through the Contract Management Support, Learning & Working Group, which is a Council wide forum which upskills services & ensure best practice is adopted.</p>		
B	<p>The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear 	<p>The Chief Finance Officer (the Deputy Chief Executive) is a key member of the Corporate Leadership Team, chairs CLT in the absence of the CEO, chairs and sponsors a numerous Council Wide Programmes including OFP, Strategic Procurement Board, Corporate Transport. He is actively leads in shaping and delivering the Council's Corporate Business Plan and Medium Term Financial Strategy (MTFS) as well as ensuring there are sufficient resources to deliver the Strategies. All significant investment decisions are subject to scrutiny by the CFO and is challenged where the project is not aligned to the strategic vision of the council.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • The Finance Team have recently seen investment to ensure the appropriate resources to best support the organisation. A program of work to improve budget managers skills around financial management and to further understand their roles and accountability is underway (Sept 2023)

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>on, all material business decisions?</p> <ul style="list-style-type: none"> Does the CFO lead and champion the promotion and delivery of good financial management across the authority? Is the CFO suitably qualified and experienced? Is the finance team suitably resourced and fit for purpose? 	<p>The CFO is ACCA qualified with over 30 years experience in local government finance and over 15 years as Section 151. He chairs the Berkshire Treasurers group and is a member of SUM, SMT, SOLACE. As well as significant experience of local government finance and he has a longstanding understanding of the local Political and financial position of the Borough.</p> <p>He is supported by an experienced Deputy 151 Officer, who as well as being CIPFA qualified has over 30 years local government experience, working to Assistant Chief Executive Level and across a number of London Boroughs, Unitary, County and District Councils.</p> <p>The CFO is supported by a highly skilled team which include qualified accountants (CCAB/CIMA) and technician qualified (AAT) accountants. All qualified officers undertake continuing professional development as required by their accounting bodies.</p> <p>All finance staff are encouraged to attend technical training.</p> <p>The CFO sponsors regular budget monitoring reports, reviewed by CLT and the Councils Political leadership, to ensure the financial position of the council is understood and managed as a priority.</p> <p>Arrangements are in place for specialist financial advice to assist the finance team in meeting their statutory requirements (technical accounting, treasury management, financial management & planning and taxation).</p> <p>The Governance and the Procurement and Commissioning functions are embedded into the Resources and Assets Dept, led by the CFO, to further ensure alignment with financial governance and good practice.</p>		<p>Areas for enhancement:</p> <ul style="list-style-type: none"> We will continue to review the effectiveness of training plans and improvements to career planning (Sept 2023) We will introduce an approach to ensure records of qualification and continual professional development are held centrally (July 2023)
Section 2 – Governance and Financial Management Style			
<p>C</p> <p>The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control</p> <p>Key questions:</p>	<p>The leadership team champion the Nolan Principles of Selflessness, Integrity, objectivity, accountability, openness, honesty and leadership.</p> <p>The Council has in place a constitution that sets out how it operates, how decisions are made and how the Council ensures that its activities are appropriate, transparent and accountable to local people.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>152</p> <ul style="list-style-type: none"> • Does the leadership team espouse the Nolan principles? • Does the authority have in place a clear framework for governance and internal control? • Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? • Does the leadership team espouse high standards of governance and internal control? • Does the leadership team nurture a culture of effective governance and robust internal control across the authority? 	<p>The Council has in place a formal governance structure that is appropriate to the way in which it operates. This includes relevant committees and reporting lines, terms of references and conduct, including provision for scrutiny of decisions taken. The Council has in place a formal scheme of delegation, which sets out which individuals or committees are entitled to make which decisions.</p> <p>Our committees, member working groups and other elements of our governance structure have formal, agreed terms of reference, setting out the scope of their responsibilities.</p> <p>The Council has formal codes of conduct for officers and members. The Council maintains an up-to-date register of interests for all senior officers and members.</p> <p>There are effective arrangements for assurance, internal audit and internal accountability. Any areas of concern raised through those arrangements are managed robustly and transparently. Both the internal and external auditor attend and provide regular reports and updates to the Standards and Audit Committee. All recommendations are acted upon promptly.</p> <p>Internal Audit works to an agreed plan, which is based on a robust analysis of the Council’s governance, risk management and internal control arrangements, the environment within which the Council operates and the risks and challenges that it faces.</p> <p>The Council adopts a robust approach to the identification, assessment and management of risks to the achievement of its objectives and to the delivery of services. The Corporate Risk Register is owned by CLT with responsibility for the management of individual risks allocated clearly across the organisation.</p> <p>A strong Statutory Officers Group (CFO,CEX,MO) is in place to further monitor and support arrangements.</p> <p>The council has adopted the Local Code of Corp Governance and has a number of Governance policies based on best practice signed up to by CLT and the Executive.</p>	<p></p>	<p>Areas for enhancement:</p> <ul style="list-style-type: none"> • A review of the financial regulations is underway to further clarify and reinforce the roles of officers across the organisation with regard to financial management and governance. (Aug 2023) Nov 23 Update – updates being progressed as part of the constitution review • Improvements to the approach for the assurance process through the Annual Governance process will be reviewed (Mar 23)

Financial Management Standard	Current Assessment	RAG	Areas for improvement	
<p style="text-align: center;">153</p> <p>D</p>	<p>The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements? • Does the authority have in place a suitable local code of governance? • Does the authority have a robust assurance process to support its AGS? 	<p>The council's Annual Governance Statement (AGS) sets out the principles of 'delivering good governance' and sets out how we have demonstrated them for the year.</p> <p>The AGS is reviewed and challenged by the audit committee. The audit committee is a key component of our corporate governance as it provides an independent and high-level focus on the arrangements that underpin good governance and financial standards.</p> <p>A local Code of Corporate Governance is in place based on the CIPFA/SOLACE framework. THE AGS includes a compliance assessment against the Code.</p> <p>The audit committee now includes an independent member and its effectiveness is reviewed each year and reported to Council.</p> <p>The authority has a robust process in place for the leadership team to provide assurance to support the AGS.</p> <p>The Head of Internal Audit works proactively with the audit committee to review 'lessons learned' from other LA's to review our own process of governance and assurance.</p> <p>Our Internal Audit Team assess their compliance against the Public Sector Internal Audit Standards. An External Quality Assessment is planned for 2023. The Head of Internal Audit has completed a self-assessment against the CIPFA role requirements.</p>	<p style="text-align: center;">Green</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None
<p>E</p>	<p>The financial management style of the authority supports financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Does the authority have in place an effective framework of financial accountability? 	<p>The Council has an effective framework of financial accountability. Our Financial Regulations and procedures are part of the constitution and set out financial decision requirements.</p> <p>Financial Procedures set out officer responsibilities. Schemes of Authorisation set out delegation of financial responsibility. Appropriate authorisations are built into our systems and processes. The control environment is reviewed regularly by Internal Audit.</p> <p>The finance team provide support and training to officers with delegated financial responsibility and e-learning is also available to support</p>	<p style="text-align: center;">Amber</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • Whilst there are good communication and information sharing arrangements in place across Berkshire CFO's, steps are being taken to widen networks across Financial services (July 2023)

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>154</p> <ul style="list-style-type: none"> • Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services? • Does the authority’s finance team have appropriate input into the development of strategic and operational plans? • Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so? • Has the authority sought an external view on its financial style, for example through a process of peer review? • Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities? 	<p>financial literacy. All budget codes have clear ownership and accountability which is reflected in our reporting.</p> <p>Regular budget monitoring reports are provided to the council's leadership team and members and financial sustainability and emerging risks are commented upon as part of this reporting.</p> <p>The finance team are aligned to specific service areas, to ensure service knowledge is obtained to support service developments and continuous improvement.</p> <p>We manage our finance function through a series of devolved budget managers. These managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Finance staff provide support and challenge to these managers by interpreting and explaining performance as well as advising and supporting on key business decisions.</p> <p>Financial sustainability is a key fundamental of the MTFS, which is refreshed annually (and monitored monthly). The MTFS includes three year revenue and capital programmes. This includes realistic estimates of funding available and budget growth required over the medium term and appropriate levels of contingencies and reserves required based on an assessment of risks it faces.</p> <p>The Council recognises that effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt. Therefore, all investment decisions (treasury and non-treasury) are taken in light of the Council’s Corporate Plan, Medium Term Financial Strategy, Capital Strategy and Treasury Management Strategy all off which are prepared jointly with the Council’s senior officers.</p> <p>We have an effective framework of financial accountability set out in our Financial Procedures that is understood clearly and applied throughout the organisation, from the leadership team through to front line service managers. The MTFP also details the “Budget Manager Protocol” and there is a number of established processes and practices including effective budget monitoring process, extensive use of the Overview & Scrutiny Cttee.</p>		<ul style="list-style-type: none"> • A more formal approach to financial training will be put in place for all budget managers • Job descriptions will be reviewed to ensure they include more specific budget responsibilities and value for money responsibilities

Financial Management Standard	Current Assessment	RAG	Areas for improvement
	<p>There is an ongoing programme of training in Finance and specific areas such as Procurement and Commercialisation.</p> <p>Financial management is embedded into our improvement and efficiency programmes including customer excellence, innovation, improvement and commercialisation.</p> <p>The Council employs financial consultants where prudent to do so, including in respect of HRA and treasury management, to help it ensure it meets all its statutory obligations and to help assess future funding options. As well as utilising an internal corporate change team to support continuous improvement the council also utilises wider external support where required for corporate programmes or specific service focused approaches.</p> <p>The external auditor reviews the financial statements and gives an opinion on the financial sustainability of the Council.</p> <p>An LGA Peer Review was undertaken in November 2021 that included an assessment of financial arrangements. There is currently an improvement plan in place to support recommendations from that work and a recent review of progress has been very complimentary about the work undertaken to date.</p>		
Section 3 – Medium to Long Term Financial Management			
<p>F The authority has carried out a credible and transparent financial resilience assessment</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority undertaken a financial resilience assessment? • Has the assessment tested the resilience of the authority’s financial plans to 	<p>A detailed and well-established MTFS process ensures the early identification of issues including the long term sustainability of funding. The MTFS includes prudent modelling of estimates of income and funding sources, local government funding, service drivers and growth, risks and contingencies. The MTFS is contributed to and agreed by SLT, has extensive consultation through Overview & Scrutiny Cttee before approval by the Council. The MTFS is a three year forward looking plan covering the revenue and capital programmes and includes a number of strategies mentioned earlier in this assessment, as recommended by the FM Code.</p> <p>The annual CFO letter further and more specifically details the risks identified, mitigations and the overall strategic financial position.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • We will consider further processes and measures can be put in place to monitor the overall financial resilience of the org (Oct 23) Nov 23 updates – additional datasets and benchmarking in place – to be included in Chief Finance Officer report Jan 24

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>a broad range of alternative scenarios?</p> <ul style="list-style-type: none"> Has the authority taken appropriate action to address any risks identified as part of the assessment? 	<p>The Corporate Risk register identifies strategic financial risks and is monitored alongside of the Councils ongoing financial management arrangements, where Finance Business Partners inform and understand risks.</p> <p>CIPFA Financial Resilience Index 2021 puts Wokingham at the lower end of the risk matrix for Financial Stress. This measure alongside other such as the Grant Thornton Resilience data is kept under close monitor as part of our overall management process</p> <p>The external auditor reviews the financial statements and gives an opinion on the financial sustainability of the Council.</p> <p>The council has a robust risk management approach which includes financial issues and impacts; which is reported through its Corporate Leadership Team, Executive, and Audit Committee.</p> <p>Investments and efficiency programs are initially taken through detailed business case approval processes and then are supported with regular monitoring and reporting governance.</p>		
<p>G The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have a sufficiently robust understanding of the risks to its financial sustainability? Does the authority have a strategic plan and long-term financial strategy that adequately address these risks? 	<p>The Council produces a 3-year MTFS, 5 year capital programme and a 4 year Housing Strategy incorporating revenue and capital models using a range of assumptions for economic factors and service related factors.</p> <p>The Council retains appropriate reserve balances, general fund and earmarked funds (e.g. insurance reserves) to manage risks over the medium term. Reserve balances are agreed as part of the MTFS and are integral to ensuring we have the resources we need.</p> <p>The current high levels of uncertainty around future funding for local government, and some legacy impacts of COVID-19, make producing a meaningful long term plan very challenging. This risk to financial planning is clearly set out in the MTFS, CFO letter and has been communicated to the Leadership Team and Members.</p> <p>The Council has a Corporate Business Plan that sets out its aim and vision for the future. The three year MTFS which is updated annually supports the Business Plan and sets out the medium term financial position</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> We will consider good practice from elsewhere to understand further longer-term planning approaches (Aug 2023)

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)? Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making? 	<p>of the authority, including various strategies and policies that explain how risks are managed over the medium/ longer term.</p> <p>As an example of the approaches engaged, the council has utilised scenario planning, following the peer review, to identify its Organisational Foundations Programme and is developing a long-term forecast for the DSG as part of an approach to utilise the safety valve programme.</p>		
<p>H The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</p> <p>Key questions:</p> <ul style="list-style-type: none"> Has the authority prepared a suitable capital strategy? Has the authority set prudential indicators in line with the Prudential Code? Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set? 	<p>The Council complies with the CIPFA Prudential Code. The CIPFA Prudential Code requires councils to ensure that capital spending plans are affordable, sustainable and prudent.</p> <p>Our capital strategy is approved with our budget each year and supports a ten year rolling capital programme. The strategy sets out the key principles and objectives of our capital spending to support decision making and ensure the programme is affordable over the longer term.</p> <p>In line with the code, the Council sets Prudential Indicators and has monitoring procedures to ensure that the authority stays within authorised limits.</p> <p>Treasury Management performance (including prudential indicators) is reported 6 monthly to the Audit Committee.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> Steps are in place to further align the Asset strategy/plan to the capital programme and longer-term finance planning. Ensuring need is aligned to financial sustainability and that deliverables align to future revenue budgets Nov 23 update – whilst longer-term forecasting tool has not been identified as yet, the new benchmarking tools include a number of measures to

Financial Management Standard	Current Assessment	RAG	Areas for improvement	
	<p>The Council recognises that effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt. All investment decisions are therefore taken with detailed business cases and in light of the Council’s Corporate Plan, Medium Term Financial Strategy, Capital Strategy and Treasury Management Strategy</p> <p>Embedded in the councils overall financial management approach is a regular capital programme monitoring process, which is reported up through CLT and Executive. Any variances are detailed and required mitigations reported and agreed.</p> <p>The Council also has a 4-year Housing Strategy which outlines the key priorities, required outcomes and the key activity to deliver those outcomes.</p> <p>Commercial investments were undertaken in line with the Council’s Commercial Property Investment Strategy and funded through prudential borrowing.</p>		<p>give further assurance of the overall financial position</p>	
<p>158</p>	<p>I The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have in place an agreed medium-term financial plan? Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? Has the medium-term financial plan been prepared on the basis of a robust assessment of 	<p>The Council’s Medium Term Financial Strategy (MTFS) is drafted in light of the Council’s Corporate Plan, individual service plans, the Capital Strategy and Treasury Management Strategy to ensure all areas are accounted for and are financially sustainable.</p> <p>The MTFS is updated and reported annually to Full Council and updated regularly throughout the year for management reporting purposes.</p> <p>The Senior Leadership Team is responsible for identifying initiatives and opportunities for savings in order to bridge the financial gap in the MTFS. Where additional budget is required (Growth) the MTFS and business planning process ensures that these amounts are reviewed and challenged to determine whether there are potential mitigations to reduce costs and that they are realistic and sufficient and ensure that key requirements of services are met.</p> <p>Although the plan is set on a rolling 3-year basis, plans are monitored throughout the and where the latest data indicates that there have been material changes to assumptions, as demonstrated in recent years they are updated and reported in the financial monitoring reports to Members.</p>	<p>Green</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> We are currently developing additional approaches to manage budget pressures and growth and to better utilise benchmarking data to understand cost (Oct 23) <p>Areas for enhancement:</p> <ul style="list-style-type: none"> We continue to develop how the Risk Register and financial reporting can earlier identify and allow the mitigation of future cost pressures (Jul 23).

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>relevant drivers of cost and demand?</p> <ul style="list-style-type: none"> Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims? 	<p>Savings targets are only included in the approved budget if there is confidence in their delivery. Delivery of savings is monitored in revenue monitoring reports and through specific governance for larger projects.</p> <p>Capital & Revenue budgets are collectively presented to Overview & Scrutiny Cttee to show connective impact and impacts are shown in MTFP. Service plans are produced in accordance with the MTFP and activity data analysis used for future projections.</p>		
Section 4 – The Annual Budget			
<p>J</p> <p>The authority complies with its statutory obligations in respect of the budget setting process</p> <p>Key questions:</p> <ul style="list-style-type: none"> Is the authority aware of its statutory obligations in respect of the budget-setting process? Has the authority set a balanced budget for the current year? Is the authority aware of the circumstances under which it should issue a Section 	<p>The Council understands its obligation in respect of the budget setting process and has set a balanced budget for the current year, understanding what is required for future years in order to allow further planning and options analysis.</p> <p>The Local Government Act 2000 requires the full council to approve the annual budget, on the recommendation of the executive or equivalent, together with the associated council tax demand (before 11 March each year). The Local Government Act 2003, Section 25 requires the authority's CFO to report to the council on the robustness of the estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations. The Council meets this requirement by reporting these items to the January Executive Committee prior to submission to a full council meeting in February each year.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Financial Management Standard	Current Assessment	RAG	Areas for improvement	
	<p>114 notice and how it would go about doing so?</p>	<p>The authority is aware of the circumstances under which it should issue a section 114 notice and how it would go about doing so.</p> <p>There is an extensive member scrutiny process as part of budget setting with specific meetings to review and understand Growth, Savings and Capital programmes for each directorate.</p> <p>The Chief Finance Officer role is clearly communicated and enforced through statutory officer group. Various communications channels as already detailed (Big Chat, ECLT etc) are also utilised to ensure a clear and consistent message.</p> <p>The CFO, who is very experienced in public finance, liaises continually with other CFOs who have enacted S114 or have considered such measures. The CFO is also aware that S114 is a sign of organisational failure and ensures of all those responsible for financial viability are aware of what must be done in order to not be in such a position.</p>		
160	<p>K The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? Does this report accurately identify and consider the most significant estimates used to prepare the budget, 	<p>The Section 25 Report is compiled annually by the section 151 officer and is reported along with, or as part of, the annual budget, MTFs and Capital and Treasury strategies to the Executive each January. It deals with the robustness of the estimates included in the budget and the adequacy of reserves and covers the key risks for the organisation in line with CIPFA Guidance.</p> <p>The Council has set up earmarked reserves to mitigate the risks of the main (known) financial risks crystallising. Substantial earmarked reserves are also set aside for specific risks such as for Business Rate income to offset any major fluctuations in these areas; More generally the Council also sets a Prudent General Fund Working Balance of £8m for any other issues resulting in a financial consequence.</p> <p>The MTFs includes a statement in relation to the robustness of estimates made and on the adequacy of the proposed financial reserves.</p> <p>The Council monitors its position against other external measures such as CIPFA resilience index and Grant Thornton data as well as utilising external auditor reports to further understand and collaborate the overall position and level of resilience.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>the potential for these estimates being incorrect and the impact should this be the case?</p> <ul style="list-style-type: none"> Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future? Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall? 			
Section 5 – Stakeholder Engagement and Business Cases			
<p>L The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget</p> <p>Key questions:</p> <ul style="list-style-type: none"> How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? How effective has this engagement been? 	<p>The Council's Constitution ensures we consult with Members of the Public and its partner organisations in accordance with our legal obligations.</p> <p>We engage with key stakeholders when setting the annual budget and for larger items of change will undertake appropriate consultation.</p> <p>The Corporate Plan engagement provided significant local insight and understanding to help shape resource priorities and future change initiatives.</p> <p>Widespread engagement with the public on council spending is hard for residents to engage with in a meaningful way and is not effective in influencing the budget plans. Engagement is therefore focussed on development of the Council's Corporate Plans and feeding in growth bids to the business planning and MTFs cycles to meet emerging needs.</p>	Amber	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> to continually review approaches to engage and help improve awareness of the councils budget process and resourcing with residents (Nov 2023) Nov 23 update – a resident budget engagement exercise has been added to this years MTFP budget setting process and responses are currently being analysed We will consider how to improve the inclusion of equalities

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> What action does the authority plan to take to improve its engagement with key stakeholders? 	<p>Engagement with residents/service users is conducted in line with individual service changes proposed within the budget, as part of the development and delivery of those proposals, rather than detailed engagement on the whole budget. This allows the engagement to be more targeted to affected groups and ensures that the engagement is meaningful.</p>		<p>impacts at the earlier budget Bids stage (May 23)</p>
<p>M</p> <p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i>? Does the authority offer guidance to officers as to when an option appraisal should be undertaken? Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? Does the authority's approach to option appraisal include suitable 	<p>Option appraisals form an essential part of the development of the Council's capital programme and all capital and revenue growth schemes have to undertake a business case appraisal through a "bid" process. Options appraisals are also mandated for procurement requirements over £50k, in line with the Councils Constitution and require approval from Finance & Procurement Business Partners.</p> <p>The Council has set up a Project Management Office (PMO) who have responsibility for embedding a project management approach across the organisation to support, monitor and report on the progress of projects within the Council's Project Portfolio. Support and advice are offered to project managers in all aspects of project management. The team also lead on major transformation programmes in relation to providing project resourcing as well as appropriate governance.</p> <p>The criteria for a key decision is set out in the council's constitution, and the format of the decision report requires input from relevant professionals, and has a format that gives clear recommendations and outlines associated risks. The report will consider options available and reasons for recommended option.</p>	<p>Green</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> Continue to develop service managers business case skills and appropriate tools to support approach and governance.

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>mechanisms to address risk and uncertainty?</p> <ul style="list-style-type: none"> Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)? 			
Section 6 – Monitoring Performance			
<p>N The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? Do the reports cover both forward and backward-looking information in respect of financial and operational performance? Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such 	<p>All budget managers and senior managers have access to the Council's Financial Management System (BWO) where they can look up reports and enquiries showing real time information. This is supplemented by management reports being provided regularly to all budget managers as part of a monthly dialogue and discussion with finance business partners.</p> <p>Budget managers are provided ongoing system and financial skills training and support (formal and informal) to assist the process and value of reporting.</p> <p>Monitoring information (revenue and capital) is then fed into a monthly report which is sent to CLT on a monthly basis showing the current position against budget and the likely outturn for the year, alongside reasons for variances and mitigations being considered or enacted.</p> <p>Reports are taken to informal Executive monthly and formal Executive quarterly.</p> <p>The Corporate Risk Register further ensures an understanding of key risks including financial implications and is aligned to ongoing budget monitoring – ensuring any required mitigations are identified and managed effectively.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> continue to review the format of reporting to maximise information to senior managers to ensure appropriate mitigation and support is provided to address issues, Where possible linking finances to demand and cost comparisons (benchmarking detailed earlier in the plan)

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>a contract monitoring data?</p> <ul style="list-style-type: none"> • Are the reports provided to the leadership team in a timely manner and in a suitable format? • Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action? 			
<p>O</p> <p>The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability? • Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet? • Is the authority taking action to mitigate any risks identified? • Does the authority report unplanned use of its reserves to the leadership team in a timely manner? 	<p>All major issues are identified in the Council’s Risk Register and monitored as a whole by SLT on a quarterly basis. All financial issues are monitored through the monthly budget monitoring process.</p> <p>The Council has set up earmarked reserves to mitigate the risks of the main (known) financial risks crystallising. Specific earmarked reserves are in place for substantial risks such as Business Rate income to offset any major fluctuations in these areas; More generally the Council also sets a Prudent General Fund Working Balance of £8m for any other issues resulting in a financial consequence.</p> <p>Debt management is managed through monthly reporting and meetings with service users. Regular cashflow monitoring/forecasting is undertaken to ensure that the Council has enough resources to meet its requirements</p> <p>Borrowing and investments are reported to the Audit committee through the year.</p>	<p>Green</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • A further review of cashflow management and future borrowing strategy is being supported by external experts

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes? 			
Section 7 – External Financial Reporting			
<p>P The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom</p> <p>Key questions:</p> <ul style="list-style-type: none"> Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements? Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms? Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the <i>Code of Practice on Local Authority</i> 	<p>The Statement of Accounts is prepared on an annual basis in accordance with the Accounts and Audit Regulations 2015, and the Code of Practice on Local Authority Accounting in the United Kingdom (the local authority accounting Code). The CFO personally certifies the annual Statement of Accounts indicating their personal and statutory responsibility.</p> <p>The authority's leadership team and the CFO are aware of the CFO's responsibilities in terms of the preparation of the annual financial statements and the finance team produce an annual Closing timetable, to ensure that the Council meets its obligations in regard to the production of its financial statements.</p> <p>The Council has consistently received an unqualified audit opinion from the external auditors.</p> <p>Whilst we understand there are currently delays in the sign-off of annual accounts, in the main the reasons for this are beyond the Council's controls with national issue in terms of infrastructure (now agreed in the short-term) and assurances in respect of the Pensions body accounts. We continue to work closely with our external auditor to progress all matters we can (in respect of 2020/21, 2021/22 and 2022/23) and there are no significant issues being raised.</p>	Green	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<i>Accounting in the United Kingdom?</i>			
<p>Q The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget? • Is the information in these reports presented effectively? • Are these reports focused on information that is of interest and relevance to the leadership team? • Does the leadership team feel that the reports support it in making strategic financial decisions? 	<p>The presentation of financial information to CLT is a regular agenda item – including budget setting, monitoring and outturn/variance reporting.</p> <p>Reports provide detail of any significant variances and the actions and mitigations to bring expenditure and income back in line with budgets.</p> <p>CLT minutes provide detail of the decisions – both service level and corporate that come from this reporting and future reports then update on the effectiveness of interventions.</p> <p>All appropriate non financial reports will also include financial implications to ensure all CLT decisions are made with the insight and understanding of financial impacts and sustainability.</p>	<p>Green</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Management Action Plan

Financial Resilience/Compliance with CIPFA Financial Management Code — 2022/23

	COUNTER MEASURE	
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Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
1 167	<p>Without access to the right reports/tools and training, there is a risk that appropriate staff will not carry out their financial responsibilities effectively. This may impact on the council's ability to identify and address emerging risks to its budget strategy and financial sustainability.</p> <p>There may be non-compliance with Standard E of CIPFA's FM Code if those individuals with specific responsibility for aspects of the authority's governance and financial management have the appropriate training to fulfil their responsibilities.</p>	Area for Improvement (Medium)	The current training arrangements are informal and provided as required/identified. There is no formal finance training programme/framework in place for appropriate staff, including budget holders, members of Corporate Leadership Team excluding the Chief Finance Officer and Council Members and the training currently given does not include specifically the area of value for money.	√				<p>Further resources are now in place within the finance team to bolster ongoing support across the organisation.</p> <p>A formal training programme, including on-line support is planned to be introduced in 2023/24.</p> <p>This work is slightly delayed due to resource issues. The trainer led Budget Management & Procurement training is part of the condensed and re-vamped leadership training proposed for all budget managers. This will be delivered for December 2023 but the e-learning module will be delivered by the end February 2024.</p>	Assistant Director of Finance/ Assistant Director of Human Resources and Organisational Development	30/9/23

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
168	<p>2 Staff may not be qualified in accordance with the recommended best practice with CIPFA's FM Code.</p> <p>The promotion of financial literacy throughout the authority, including championing training and the development of relevant skills at all levels. The responsibility for learning and development amongst finance staff, in order to ensure that both current and likely future finance skills needs may not be addressed.</p>	Area for Improvement (Medium)	There is no central record held within Finance of qualifications and continual professional development for appropriate finance staff.	√				<p>Individual managers ensure all staff in the finance service have the appropriate skills, experience and formal qualifications. This allows both formal qualifications and work experience to be considered alongside performance in setting supporting staff and agreeing individual development plans.</p> <p>The HR team have loaded all the current members of Finance qualifications which is all reportable. Going forward a 'how to guide will be shared and team members can add the information themselves via self-service. This item is now complete.</p>	Assistant Director of Finance/ Assistant Director of Human Resources and Organisational Development	31/7/23
	<p>3 The Council will not be espousing high standards of governance and internal control as stated in CIPFA's FM Code</p>	Area for Improvement (Medium)	There is no checking and assurance element for the register of interests for senior management in place.	√				We have identified the opportunity to improve the checking and assurance element of the register of interests and this will be put in place this year – through	Assistant Director, Governance	31/3/23

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
								<p>the Annual Governance Statement (AGS) process.</p> <p>The above process was put in place for the production of the 22/23 AGS and is embedded for future years – action complete.</p>		
4 169	<p>CIPFA's FM Code states the following: In CIPFA's view, an assessment of an authority's financial management style can best be undertaken by means of peer review.</p> <p>The CIPFA FM Code sets out that, having carried out a finance resilience assessment, the authority should demonstrate how the risks identified have informed the development of its longer-term financial strategy. The authority should, furthermore, report the implications of these risks on its future financial sustainability to its leadership team, including its elected members.</p>	Area for Improvement (Medium)	There has not been a recent supplementary financial resilience assessment exercise undertaken including consideration as to how this is undertaken to ensure that a report is completed and presented on the long-term financial sustainability of the Council to the Corporate Leadership Team and Council Members.	√				<p>The council regularly monitors its position in the CIPFA resilience index and indicators continue to be strong across the board. In 2019/20 MJ published data showing Wokingham Borough Council to be in the top 20 most resilient upper tier Councils.</p> <p>As that specific exercise has not been repeated, we have utilised further analysis and ongoing tools and benchmarking to measure and continually update our position going forward. An updated understanding has been provided and will be incorporated into the Chief Financial Officers letter, to</p>	Assistant Director of Finance	31/10/23

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
								<p>be presented to members in early 2023.</p> <p>Officers have also specifically presented a detailed report on reserves to Overview & Scrutiny as part of the budget setting process</p>		
5 170	<p>The authority has a clear governance structure, with well-defined roles for all members of the Leadership Team.</p> <p>The Leadership Team and managers can discharge their financial management responsibilities, alongside their wider responsibilities in relation to risk and performance management.</p>	Area for Improvement (Medium)	The Director's Job Description states within its management responsibilities to participate and collaborate as a member of CLT to ensure Council plans and targets are achieved which the financial plans and targets could be included in this. However, there is no specific mention with the Director's Job Description of specific financial responsibilities.	√				<p>Whilst we are comfortable Job Descriptions include reference to financial responsibilities as part of the wider roles, as job descriptions are reviewed going forward we will work with Human Resources to ensure more specific reference to financial responsibilities are included in Job Descriptions. Financial responsibilities are further clarified in the constitution and budget managers protocols.</p> <p>Revised and more specific financial responsibilities have been added to Job Descriptions for Directors roles in recent recruitment</p>	Assistant Director of Finance/ Assistant Director of Human Resources and Organisational Development	31/3/24

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
171								and all Director job descriptions will be updated so they are all consistent. Staff responsible for recruitment have been advised that all job descriptions are to have updated with financial responsibilities as part of recruitment process.		
6	Internal Control and Corporate Governance findings through Internal Audit reports will not be included in the risk management process which could lead to risks not being managed effectively.	Area for Improvement (Medium)	The results of internal audits are not fed back into the risk management process.	√				This has been picked up as part of the remit of the officer Risk Management Group which meets monthly – action complete.	Assistant Director, Governance	31/3/23
7	'The Role of the Asset Management Plan in the MTFP' section of the CIPFA FM Code may not be complied with.	Areas for Improvement (Medium)	There is not currently an up-to-date asset management plan. There is one in draft form that is currently being worked through, but it's been delayed on a couple	√				The next version of the Asset Management Plan will be informed by on-going work to identify opportunities for the future	Assistant Director, Commercial Property	31/12/23

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
172			of occasions due to the pandemic and then the political and organisational changes the Council has gone through over the last few years. An up-to-date asset management plan needs to be aligned with the capital programme and longer-term finance planning to ensure asset need is aligned to financial sustainability, including future revenue budgets and identified savings.					management and rationalisation of our property portfolio to deliver financial efficiencies by reducing the financial burden of maintaining the property portfolio and align assets to future business need. Other inputs into the Asset Management Plan will be the Executive decisions of September 2023 which (1) identified WBC owned sites to be promoted for development to the Local Plan and (2) agreed in principle changes to the Council's own office accommodation. Taking into account these inputs, the next version of the Asset Management Plan will be in place for 01 April 2024.		
8	While equity is a relatively recent addition to the concept of value for money, there are nevertheless things that the authority could do to ensure that its services are accessible to all those who could benefit from them.	Area for Improvement (Medium)	The Revenues Business Case template does not contain a specific section for Equality Impact Considerations.	√				All service changes require the appropriate equalities assessment – this will be included in specific service reports and is also covered both as a blanket review and individually in the	Assistant Director of Finance	31/5/23

Ref	Concern	Risk	Finding	Treat	Tolerate	Transfer	Terminate	Counter Measure Action / Explanation	Responsible Officer	Target Date
173								<p>MTFP and budget setting. We will consider how we further include information in the business case document itself.</p> <p>The Equalities team are sighted on all proposed bids, and as those are and have been taken forward they will support equalities input. This is part of a wider engagement across the MTFP process which as last year will result in a specific equalities update as part of the Medium Term Financial Plan</p>		
9	Progress against the action plans will not be monitored and thus agreed actions may not be implemented.	Area for Improvement (Medium)	There is no action plan, that includes target dates and responsible officer in place to record and monitor the areas of improvement and enhancement that are detailed in the FM self-assessment. This should include target dates and responsible officers.	√				<p>This initial assessment against the code will inform and set an ongoing improvement plan, which will be monitored and reported appropriately.</p> <p>This report (to Audit Committee) provides an update on actions and overall rating. Actions are progressing steadily and those will delays have appropriate revised plans in place</p>	Assistant Director of Finance	31/3/23

DATE OF MEETING	ITEM No.	ITEM DESCRIPTION AND PURPOSE	RESPONSIBLE OFFICER
Wednesday 7 February 2024	1.	Corporate Risk Register Update	Graham Ebers, Deputy Chief Executive
	2.	2023/24 Internal Audit and Investigation Quarter 3 Progress Report	Catherine Hickman, Head of Internal Audit and Investigation Service
	3.	2024/25 Draft Internal Audit and Investigation Plan, Strategy and Internal Audit Charter	Catherine Hickman, Head of Internal Audit and Investigation Service
	4.	2021/22 Auditor's Annual Report - <i>summarise the completion of the 2021/22 audit, including our commentary on the value for money proper arrangements</i>	EY
	5.	2022/23 Audit Planning Report - <i>outline the audit strategy, including the identified significant risks, for the 2022/23 audit of accounts</i>	EY
	6.	Council Assurance Map- <i>To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.</i>	Graham Ebers, Deputy Chief Executive
	7.	Audit Committee effectiveness	Graham Ebers, Deputy Chief Executive
	8.	2023/24 Accounting policies	Graham Ebers, Deputy Chief Executive
	9.	Draft Audit Results Report for 2021/22 - <i>summarise the outcome of our audit testing, including any work left to complete.</i>	EY
	10.	Statement of Accounts	Graham Ebers, Deputy Chief Executive

- Members' Knowledge and Skills survey