

## Notice of Meeting

### AUDIT AND STANDARDS COMMITTEE

**Wednesday, 16 January 2019 - 7:00 pm**  
**Council Chamber, Town Hall, Barking**

**Members:** Cllr Josie Channer (Chair); Cllr Adegboyega Oluwole (Deputy Chair); Cllr Dorothy Akwaboah, Cllr Simon Bremner, Cllr Princess Bright, Cllr John Dulwich, Cllr Kashif Haroon and Cllr Muhammad Saleem

**Independent Advisor:** Stephen Warren

Date of publication: 8 January 2019

Chris Naylor  
Chief Executive

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#### AGENDA

**1. Apologies for Absence**

**2. Declarations of Interest**

In accordance with the Council's Constitution, Members are asked to declare any interest that they may have in any matter which is to be considered at the meeting.

**3. Minutes - To confirm as correct the minutes of the meeting held on 26 September 2018 (Pages 3 - 6)**

**4. Annual Audit Letter 2017/18 (Pages 7 - 16)**

5. **External Audit Plan 2018/19 (Pages 17 - 40)**
6. **Preparation of 2018/2019 Annual Accounts & External Audit (Pages 41 - 46)**
7. **Internal Audit report 2018/19 Quarter 2 (July to September 2018) (Pages 47 - 62)**
8. **Counter Fraud report Quarter 2 2018/19 (July-September 2018) (Pages 63 - 67)**
9. **Information Governance Annual report (Pages 69 - 75)**
10. **Complaints against Members update (Pages 77 - 79)**
11. **Review of Gifts and Hospitality Registers (Pages 81 - 90)**
12. **Work Programme 2018/19 (Page 91)**
13. **Any other public items which the Chair decides are urgent**
14. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted**

#### **Private Business**

The public and press have a legal right to attend Council meetings such as the Audit and Standards Committee, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

15. **Any other confidential or exempt items which the Chair decides are urgent**



Our Vision for Barking and Dagenham

## **ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND**

Our Priorities

### **A New Kind of Council**

- Build a well-run organisation
- Ensure relentlessly reliable services
- Develop place-based partnerships

### **Empowering People**

- Enable greater independence whilst protecting the most vulnerable
- Strengthen our services for all
- Intervene earlier

### **Inclusive Growth**

- Develop our aspirational and affordable housing offer
- Shape great places and strong communities through regeneration
- Encourage enterprise and enable employment

### **Citizenship and Participation**

- Harness culture and increase opportunity
- Encourage civic pride and social responsibility
- Strengthen partnerships, participation and a place-based approach

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## **MINUTES OF AUDIT AND STANDARDS COMMITTEE**

Wednesday, 26 September 2018  
(7:00 - 7:57 pm)

**Present:** Cllr Adegboyega Oluwole (Deputy Chair in the Chair), Cllr Dorothy Akwaboah, Cllr Simon Bremner, Cllr Princess Bright, Cllr John Dulwich, Cllr Kashif Haroon and Cllr Maureen Worby

**Also Present:** Cllr Maureen Worby

**Apologies:** Cllr Josie Channer and Cllr Muhammad Saleem

### **13. Declarations of Interest**

There were no declarations of interest.

### **14. Minutes- To confirm as correct the minutes of the meetings held on 25 July 2018**

The minutes of the meeting held on 25 July 2018 were confirmed as correct.

### **15. Adaptations Grant Scheme**

A report on the Adaptations Grants Scheme (AGS) was introduced by the Cabinet Member for Social Care and Health Integration. The scheme involved the provision of grants of money to individuals with social care needs so that they arranged their own adaptations to their home and maintained their independent living. It had been running for some years, with declining uptake. The current scheme was widely underutilised with a current budget underspend of £0.378m as at 31 July 2018.

On the basis of both the control weaknesses identified by Internal Audit and the poor uptake of the scheme, the report outlined a decision undertaken by the Cabinet Member for Social Care and Health Integration to suspend the current Adaptations Grant Scheme with immediate effect. It was intended to fundamentally review and relaunch the scheme in for 2019/20.

The Cabinet Member for Health and Social Integration added that a report would be submitted to Cabinet in 2019 in respect of a revised Adaptations Grants Scheme which would be consulted on with service users and the scheme was designed for vulnerable people including people with disabilities. She accepted that the Internal Audit reflected various concerns and that some of checks were not as stringent as they could be in terms of the existing scheme that had been suspended. She noted the new personalisation agenda conflicted with the Internal Audit's view that those on the scheme were told where to shop. Whilst interim solutions to tackle the most prominent issues had been put in place a relaunched service would be able to fully look to accommodate the audit recommendations and focus on improving the take up of the service and promoting the principle of choice and control, upon which the scheme was based.

Members asked how this new scheme differed from the disability facilities grant scheme. The Operational Director Adults Care and Support stated that the adaptation grants were a direct cash payment to individuals. There were five applicants in the pipeline at present and at the present time £20K had been spent out of a total of £400K budget.

The Operational Director stated that the Council were totally committed to avoiding fraud and the misuse of Council funds in line with legislation and this legal clause will be e-mailed to Members.

The Independent Adviser (Audit) welcomed the report. However, he considered it helpful in future reports that in such cases that the Internal Audit recommendations were not accepted by the service, an explanation in the report was required and additionally the level of implementation and other actions proposed. He suggested that could include a grid to show individual recommendations and alternatives, action. The Cabinet Member and the Committee concurred with this proposal and agreed an additional recommendation to this item.(q.v)

The Committee:

- (i) Noted the work that has been undertaken already to strengthen controls in the operation of the scheme; and
- (ii) Noted the proposal to now suspend the scheme, review the poor uptake and fundamentally relaunch it for 2019/20.
- (iii) An action plan would be included in a future report to the Committee, at the time the new adaptations grant scheme was launched, together with any other actions proposed in the internal audit report.

## **16. Progress update on actions arising from the Internal Audit report for the IT Security Framework**

The ICT Strategy Lead presented a report to the Committee, The Council historically had a disaster recovery contract for key IT infrastructure with a 3<sup>rd</sup> party organisation. He advised that a new Disaster Recovery Plan would be in place in January 2019 with a service based on the Council's ICT architecture. This new plan would be without Agyllis and address risk with a 24-hour period in order to get the Council's ICT back up and running. He stated that the existing disaster recovery arrangement did not deliver a meaningful level of protection to the Council with an Infrastructure As a Service (IAAS). As a result, the existing disaster recovery contract had ceased. He covered the following points in the report:

- In February 2018, Cabinet had approved a budget to deal with historic under investment in ICT within the Council. Part of this budget was specifically intended to implement and deliver a fit for purpose IT disaster recovery arrangement that meet's the Council's current and emerging needs and risks.
- In March 2018, an internal audit report around IT security gave limited

assurance with the main finding being the lack of an ICT Disaster recovery capability.

- In April 2018, a paper was presented to the Council's Assurance Group highlighting the key risks and a proposed approach to delivering a suitable ICT DR service.
- In June 2018 the Committee reviewed the findings of the security audit and requested an update on the work being carried out to meet the Council's IT Disaster Recovery need.

Members enquired about details of alterations to the scheme. The IT Strategy Lead advised that officers had looked at a wide range of options and suppliers and the one that would be in place was the best price and best fit for the Council.

The IT strategy lead advised that by 2020 the Council will in any case need to change its ICT provision and that the work for disaster recovery will offset an element of that re-provision that would otherwise result in additional cost. He added that in providing the new disaster recovery service, officers had identified areas of risk and for example Citrix would not be able to function from January 2019 and that a further phase of work would deal with this issue. In the event of a disaster, the IT service would be able to be fully recovered from the end of the implementation project scheduled for January 2019 but that further half yearly tests of recovering specific business areas over a two year period would improve assurance to a higher level. He added that as a result of possible currency fluctuation, Microsoft tended to re-price annually and there was the risk of cost escalation. He advised on three options in the report, namely: no action, normal disaster recovery contract, and creating additional resilience within Agyllis. All of these options had been rejected.

The Independent Adviser (Audit) welcomed the report and noted that the focus in the report had been on managing the Council's business risks rather than technical issues. He requested, which was agreed by Members, that future reports might show how risks are mitigated and he understood by the report that at the first stage, residual risk had been reduced but that further work was needed to reduce risk. The IT Strategy Lead advised that in terms of technical risk, testing was taking place in a planned way. The Council did not have a life and death critical system, that to 24-hour recovery matches the current agreed service level. He added that in answer to a question that the IT work was not sub-contracted and fitted in with the existing IT contracting arrangements.

## **17. Work Programme 2018/19**

The Committee noted the work programme for the remaining meetings in 2018/19 and that the item shown on the "External Audit" for January 2019 was amended to show "the Council's own review of the 2017/18 closing of accounts processes and action plan for 2018/19."

The Independent Adviser (Audit) and the Committee noted that a review of the Committee's terms of reference was being undertaken in January 2019, however requested that notification to the Chair was provided in sufficient time before the next meeting which showed in the current arrangements for the Committee in

terms of performance and other areas that it cannot or could do). The noted that in terms of performance, this was not a usual Audit Committee responsibility. Officers would liaise with the Monitoring Officer and the Chief Operating Officer upon her return from leave in this matter.



**AUDIT AND STANDARDS COMMITTEE**

16 January 2019

<b>Title:</b> Annual Audit Letter 2017/18	
<b>Report of the Chief Operating Officer</b>	
<b>Open Report</b>	<b>For information</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> Charles Medley, KPMG	<b>Contact Details:</b> E-mail: Charles.medley@kpmg.co.uk
<b>Accountable Director:</b> Helen Seechurn, Interim Director of Finance	
<p><b>Summary:</b></p> <p>This report summarises the key findings from the 2017/18 external audit of the Council, which covered the 2017/18 Financial Statements and Value for Money conclusion. An unqualified opinion was issued in respect of the accounts and KPMG were satisfied that the Council had satisfactory arrangements in place to secure value for money. All the issues in the letter have been previously reported. The key recommendations are listed in appendix 1 of the report.</p>	
<p><b>Recommendation</b></p> <p>That the Committee notes the contents of this report.</p>	

**1. Introduction and Background**

1.1. The Independent Auditors, KPMG, annual audit letter 2017/18 sets out for the benefit of those charged with governance (in the case of London Borough of Barking and Dagenham, Audit and Standards Committee), the outcome from KPMG's audit work at the Council in relation to the 2017/18 audit year. Although it is addressed to Members of the Council, it is also intended to communicate key messages to key stakeholders, including members of the public, and is placed on the Council's website.

1.2. An unqualified conclusion on the Council's arrangements to secure value for money was issued. The same conclusion also applied on the Council's financial statements.

**2. Financial Implications**

2.1. Other than the audit fees mentioned in the Audit Plan, there are no financial implications arising from the report.

**3. Legal Implications**

Implications completed by: Dr. Paul Feild Senior Governance Lawyer

- 3.1 The Accounts and Audit (England) Regulations 2015 (the “Regs”) Reg 3(a)(b) & (c), requires that the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk. In addition Reg 6 (1)(a) requires that each financial year a review is carried out of the effectiveness of the system of internal control as required by Reg 3.
- 3.2 Furthermore the Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council’s financial affairs.
- 3.3 The Annual Audit letter does not in itself identify any matters of specific legal concern.

#### **4. Recommendation**

- 4.1. Audit and Standards Committee is asked to note the contents of the Audit Plan.

#### **5. Appendix**

- 5.1. Appendix 1 – KPMG Annual Audit letter 2017-18



# Annual Audit Letter 2017/18

London Borough of Barking and Dagenham

—

August 2018

# Contents

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## Page

### Report sections

— Headlines 3

### Appendices

1. Summary of reports issues 6
2. Audit fees 7

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Neil Thomas, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This Annual Audit Letter summarises the outcome from our audit work at London Borough of Barking and Dagenham in relation to the 2017/18 audit year, which is the final year that KPMG is the auditor of the Authority and its pension fund.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority’s website.

**Audit opinion**

We issued an unqualified opinion on the Authority’s financial statements on 31 July 2018.. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements include those of the pension fund.

**Financial statements audit**

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Materiality for the Authority’s accounts was set at £14 million which equates to around 1.9 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision. Materiality for the Pension Fund was set at £9 million which is approximately 1 percent of gross assets.

We report to the Audit and Standards Committee any misstatements of lesser amounts, other than those that are “clearly trivial”, to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.7 million for the Authority and £0.45 million for the Pension Fund.

We have identified seven audit differences with a total value of £5.1 million resulting in a net increase of £5.1 million in the reported deficit on provision of services and a net decrease of £8.4 million in the useable reserves balances.

Our audit work was designed to specifically address the following significant risks:

- Management Override of Controls – This is a risk that auditing standards require that we consider as management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records by overriding controls that otherwise appear to be operating effectively. We reviewed and tested the controls in place relating to posting of manual journals and found an opportunity for these controls to be enhanced. We found no exceptions in our substantive testing;
- Valuation of PPE – The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. We reviewed those assets subject to revaluation by the Authority’s valuer and found that errors had been made resulting in an incomplete revaluation as well as errors in the underlying data held by the Authority. This resulted in £7.6 million of adjustment to the net book value of property plant and equipment and raising recommendations to strengthen the underlying process and controls. We also undertook work to review the qualifications, objectivity and independence of the external valuer used, the value of assets not subject to valuation and the completeness, existence and ownership of plant, property and equipment and found no exceptions;

<b>Financial statements audit</b>	<ul style="list-style-type: none"> <li>— <b>Pensions Liabilities</b> – We reviewed the controls in place at the Authority over data sent to the scheme actuaries Hymans Robertson LLP by the Authority and found them to be appropriately designed and operating effectively. We found no exception in our testing which included reviewing Hymans Robertson LLP as an expert of the Authority, reviewing the assumptions used by them and substantively testing the underlying data sent to the actuary;</li> <li>— <b>Faster Close</b> – The Authority was required for the first time to prepare draft financial statements by 31 May rather than 31 June as in exceptions.</li> </ul>
<b>Other information accompanying the financial statements</b>	<p>Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.</p>
<b>Pension Fund audit</b>	<p>We issued an unqualified opinion on the pension fund financial statements as part of our audit report. Our audit work was designed to specifically address the following significant risks relating to the Pension Fund:</p> <ul style="list-style-type: none"> <li>— <b>Valuation of hard to price investments</b> – The pricing of complex investment assets may be susceptible to pricing variances given the assumptions underlying the valuation, we identified no issues in our work.</li> </ul>
<b>Whole of Government Accounts</b>	<p>We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.</p>
<b>Value for Money conclusion</b>	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2017-18 on 31 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources. To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.</p>
<b>Value for Money risk areas</b>	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks. Our work identified the following significant matters:</p> <ul style="list-style-type: none"> <li>— <b>Delivery of Budgets</b> – The Authority identified the need to make savings of £9 million in 2017/18. Our testing identified that where there are overspends in services that work is undertaken to identify and implement mitigation and savings plans which we identified were in part successful in mitigating the identified projected outturn overspend of £6.8M which was forecast in November 2017.</li> </ul>

## Section one

# Headlines

<b>High priority recommendations</b>	We raised no high priority recommendations as a result of our 2017-18 work.
<b>Certificate</b>	The audit cannot be formally concluded and an audit certificate issued as we are considering elector queries relating to 2015/16. Until we have completed our consideration of these we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014.
<b>Audit fee</b>	Our fee for 2017/18 was £165,975, excluding VAT (2016/17: £165,975). Our fee for the audit of the Pension Fund was £21,000 excluding VAT (2016/17: £21,000). We also receive fees relating to 2017/18 for audit related assurance services £8,650, excluding VAT (2016/17 £8,650) and mandatory assurance services £34,358, excluding VAT (2016/17 £22,785). Further detail is contained in Appendix 2.
<b>Exercising of audit powers</b>	<p>We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.</p> <p>We have not identified any matters that would require us to issue a public interest report.</p>

# Appendix One: Summary of reports issued

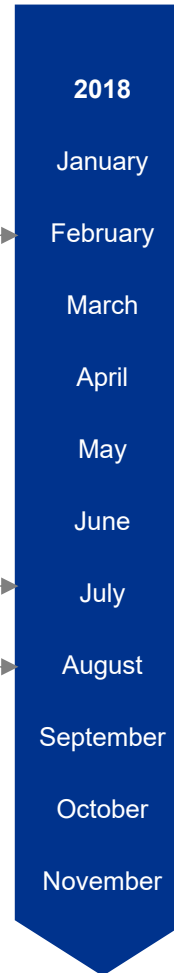
This appendix summarises the reports we issued since our last Annual Audit Letter.

These reports can be accessed via the Audit and Standards Committee pages on the Authority's website at [www.LBBD.gov.uk](http://www.LBBD.gov.uk).

**External Audit Plan January 2018**  
The External Audit Plan set out our approach to the audit of the Authority's financial statements and to work to support the VFM conclusion.

**Auditor's Report July 2018**  
The Auditor's Report included our audit opinion on the financial statements (including the pension fund accounts) along with our VFM conclusion.

**Annual Audit Letter August 2018**  
This Annual Audit Letter provides a summary of the results of our audit for 2017/18.



**Certification of Grants and Returns January 2018**  
This report summarised the outcome of our certification work on the Authority's 2016-17 grants and returns.

**Report to Those Charged with Governance July 2018**  
The Report to Those Charged with Governance summarised the results of our audit work for 2017/18 including key issues and recommendations raised as a result of our observations.  
  
We also provided the mandatory declarations required under auditing standards as part of this report.



# Appendix two: Audit fees

This appendix provides information on our final fees for the 2017/18 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2017/18 planned audit fee.

### External audit

Our final fee for the 2017/18 audit of the Authority was £165,975 (2016/17 £165,975), which is in line with the planned fee.

Our final fee for the 2017/18 audit of the Pension Fund was in line with the planned fee of £21,000 (2016/17 £21,000).

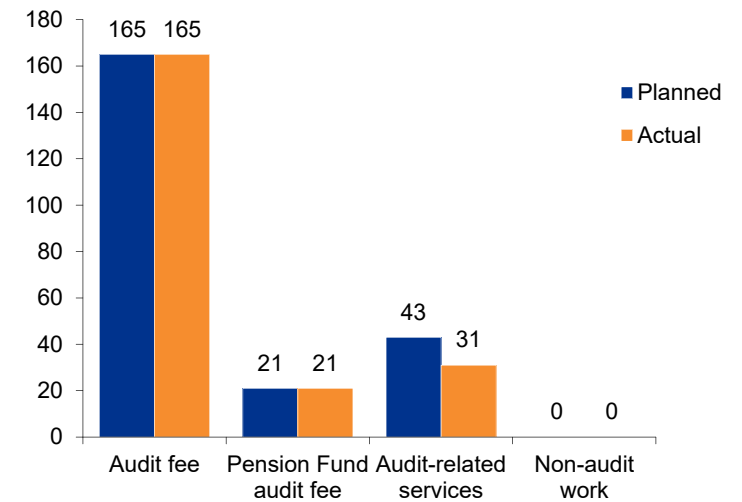
### Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing, the provisional fee for this was set at £34,358 (2016/17 £22,785). The final fee will be confirmed through our reporting on the outcome of that work in January 2019.

### Other services

We charged £8,650 for additional audit-related services for the certification of the Teachers Pensions Return grant claim and Pooling of Housing Capital Receipts, which are outside of Public Sector Audit Appointment's certification regime.

External audit fees 2017/18 (£'000)





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**AUDIT AND STANDARDS COMMITTEE**

16 January 2019

<b>Title:</b> External Audit Plan 2018/19	
<b>Report of the Chief Operating Officer</b>	
<b>Open Report</b>	<b>For information</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> Thomas Mulloy	<b>Contact Details:</b> E-mail: <a href="mailto:Thomas.Mulloy@lbbd.gov.uk">Thomas.Mulloy@lbbd.gov.uk</a>
<b>Accountable Director:</b> Helen Seechurn, Interim Director of Finance	
<b>Summary:</b>  This report is to note the Audit Plan, for the London Borough of Barking and Dagenham, for the year ending 31 March 2019.	

<b>Recommendation</b>  That the Committee notes the contents of this report.
--

**1. Introduction and Background**

- 1.1. The Independent Auditors, BDO, audit plan sets out for the benefit of those charged with governance (in the case of London Borough of Barking and Dagenham, Audit and Standards Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260.
- 1.2. The plan is to enable the members to understand the consequences of BDO's work, discuss issues or risk and the concept of materiality with the Independent Auditors.
- 1.3. The audit of the financial statement does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements. The contents of the Audit Plan have been discussed with management.

**2. Financial Implications**

*Implications completed by: Helen Seechurn, Interim Director of Finance*

- 2.1 Other than the audit fees mentioned in the Audit Plan, there are no financial implications arising from the report.

### **3. Legal Implications**

*Implications completed by: Dr. Paul Feild Senior Governance Lawyer*

3.1 The Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.

3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:

- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources';
- in its accounts comply with the requirements of the enactments that apply to them; and
- observed proper practices in the preparation of the statement of accounts; and that the statement presents a true and fair view.

3.3 This is supported by the Code of Audit Practice, published by the NAO in April 2016, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

### **4. Recommendation**

4.1 Audit and Standards Committee is asked to note the contents of the Audit Plan.

### **5. Appendix**

5.1 Appendix 1 – BDO External Audit Plan 2018-19

# LONDON BOROUGH OF BARKING & DAGENHAM

DRAFT AUDIT PLAN

Audit for the year ending 31 March 2019

21 December 2018

# CONTENTS

WELCOME ..... 1

YOUR BDO TEAM ..... 2

ENGAGEMENT TIMETABLE ..... 3

AUDIT SCOPE AND OBJECTIVES..... 4

MATERIALITY ..... 5

OVERALL AUDIT STRATEGY ..... 6

KEY AUDIT RISKS AND OTHER MATTERS ..... 8

INDEPENDENCE ..... 15

FEES ..... 16

APPENDIX I: MATERIALITY ..... 17

APPENDIX II: AUDIT QUALITY ..... 19

# WELCOME

## PURPOSE AND USE OF OUR REPORT

We have pleasure in presenting our Audit Plan to the Audit and Standards Committee. This report forms a key part of our communication strategy with you, a strategy which is designed to promote effective two-way communication throughout the audit process with those charged with governance.

It summarises the planned audit strategy for the year ending 31 March 2019 in respect of our audit of the financial statements and use of resources; comprising materiality, key audit risks and the planned approach to these, together with a timetable and the BDO team structure.

The planned audit strategy has been discussed with management to ensure that it incorporates developments in the business during the year under review, the results for the year to date and other required scope changes.

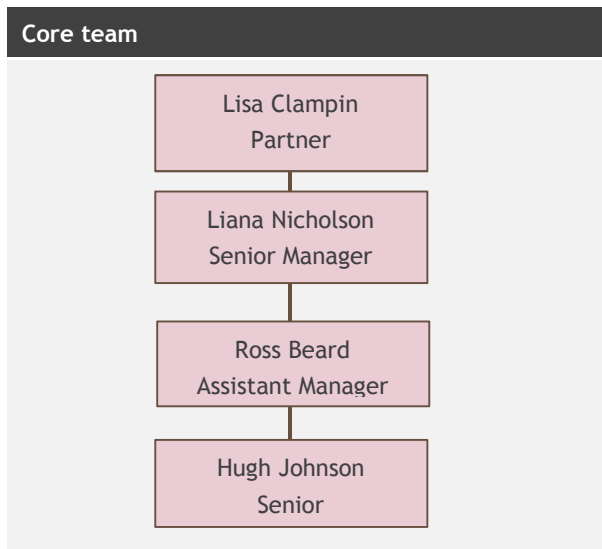
We look forward to discussing this plan with you at the Audit and Standards Committee meeting on 16 January 2019 and to receiving your input on the scope and approach.

In the meantime, if you would like to discuss any aspects in advance of the meeting please contact one of the team.

This report has been prepared solely for the use of the Audit and Standards Committee and those charged with governance. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person.



## YOUR BDO TEAM



Name	Contact details	Key responsibilities
<b>Lisa Clampin</b> Engagement Lead	Tel: 01473 320716 lisa.clampin@bdo.co.uk	Oversee the audit and sign the audit report
<b>Liana Nicholson</b> Project Manager	Tel: 01473 320715 liana.nicholson@bdo.co.uk	Management of the audit
<b>Ross Beard</b> Assistant Manager	Tel: 01473 320785 ross.beard@bdo.co.uk	Day to day management and supervision of the audit
<b>Hugh Johnson</b> Senior	Tel: 020 7893 2551 hugh.johnson@bdo.co.uk	Day to day supervision of the audit team

Page 22

Lisa Clampin is the engagement lead and has the primary responsibility to ensure that the appropriate audit opinion is given on the financial statements and use of resources.

In meeting this responsibility, she will ensure that the audit has resulted in obtaining sufficient and appropriate evidence to provide reasonable, but not absolute, assurance that:

- The financial statements are free from material misstatement, whether due to fraud or error
- The authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

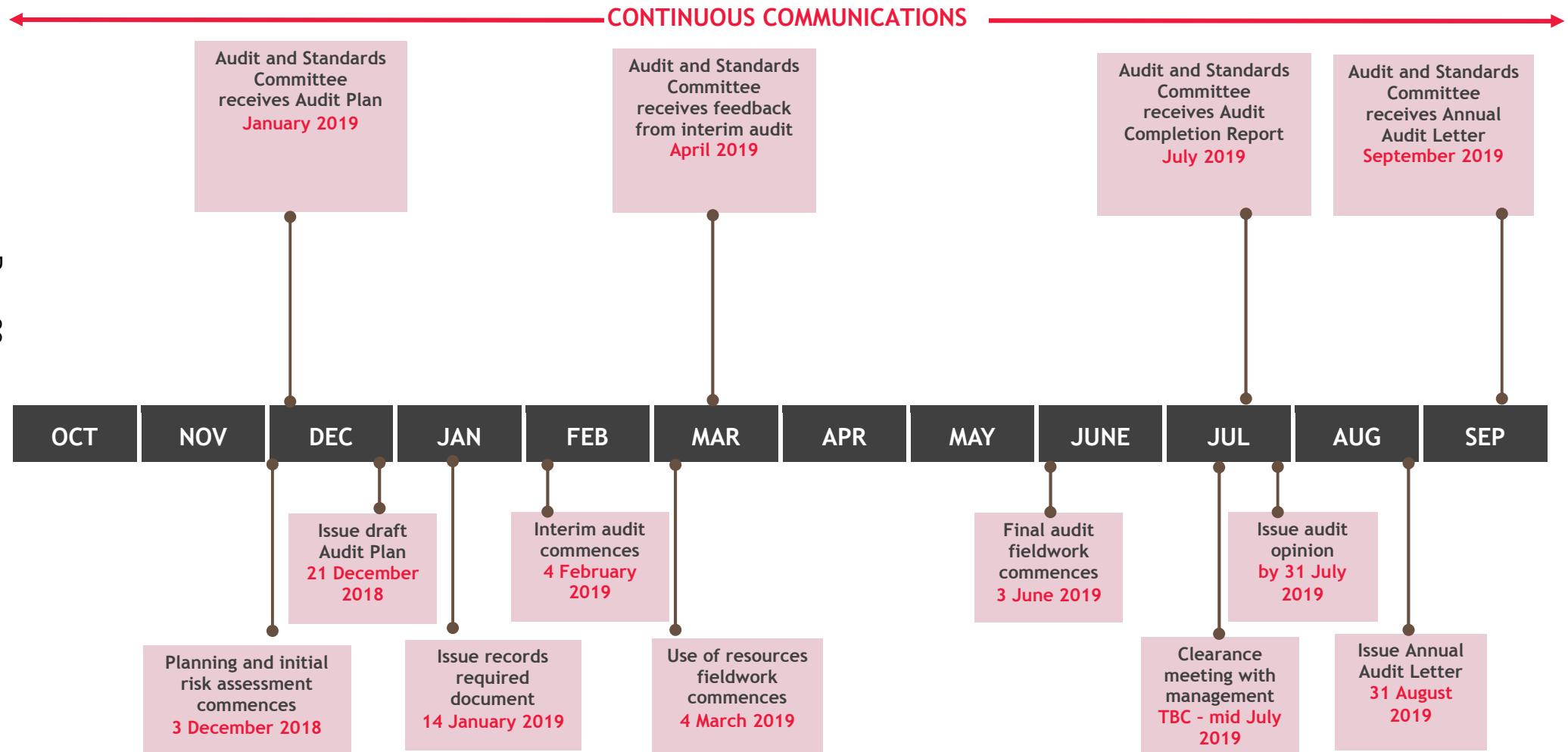
She is responsible for the overall quality of the engagement.



# ENGAGEMENT TIMETABLE

## TIMETABLE

The timeline below identifies the key dates and anticipated meetings for the production and approval of the audited financial statements and completion of the use of resources audit.



# AUDIT SCOPE AND OBJECTIVES

FINANCIAL STATEMENTS		OTHER INFORMATION	WGA CONSOLIDATION	USE OF RESOURCES
<p><b>1</b> The financial statements give a true and fair view of the financial position of the authority and its income and expenditure for the period in question.</p>	<p><b>2</b> The financial statements have been prepared properly in accordance with the CIPFA Code of Practice on Local Authority Accounting 2018/19, applicable accounting standards or other direction.</p>	<p><b>3</b> Other information published together with the audited financial statements is consistent with the financial statements (including the Governance Statement) and our knowledge obtained during the audit.</p>	<p><b>4</b> The return required to facilitate the preparation of the Whole of Government Accounts (WGA) consolidated accounts is consistent with the audited financial statements.</p>	<p><b>5</b> The authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>
ADDITIONAL POWERS AND DUTIES				
<p><b>6</b> Where necessary: Consider the issue of a report in the public interest Make a written recommendation to the authority Allow electors to raise questions about the accounts and consider objections</p>	<p><b>7</b> Where necessary: Apply to the court for a declaration that an item of account is contrary to law Consider whether to issue an advisory notice or to make an application for judicial review.</p>			

# MATERIALITY

## AUTHORITY MATERIALITY

	MATERIALITY	CLEARLY TRIVIAL THRESHOLD
London Borough of Barking & Dagenham	£11.5 million	£230,000

Please see Appendix I for detailed definitions of materiality and triviality.

Planning materiality for the Council has been based on 1.4% of the average of the prior two years gross expenditure. This will be revisited when the draft financial statements are received for audit and the Council has prepared consolidated group accounts.

The clearly trivial amount is based on 2% of the materiality level.

# OVERALL AUDIT STRATEGY

## We will perform a risk based audit on the authority's financial statements and use of resources

This enables us to focus our work on key audit areas.

Our starting point is to obtain an understanding of the authority's business and the specific risks it faces. We review the predecessor auditor's prior year audit file and we discuss with management any changes to the business and management's own view of potential audit risk, to gain an understanding of the authority's activities and to determine which risks impact on our audit. We will continue to update this assessment throughout the audit.

For the financial statements audit, we also confirm our understanding of the accounting systems in order to ensure their adequacy as a basis for the preparation of the financial statements and that proper accounting records have been maintained.

Page 26 For the use of resources audit, we consider the significance of business and operational risks insofar as they relate to 'proper arrangements', including risks at both sector and authority-specific level, and draw on relevant cost and performance information as appropriate.

We then carry out our audit procedures in response to audit risks.

### Audit risks and planned audit responses

For the financial statements audit, under International Standard on Auditing 315 "Identifying and assessing the risks of material misstatement through understanding the entity and its environment", we are required to consider significant risks that require special audit attention.

In assessing a risk as significant, we exclude the effects of identified controls related to the risk. The auditing standard requires us to consider:

- Whether the risk is a risk of fraud
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention
- The complexity of transactions
- Whether the risk involves significant transactions with related parties

- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty
- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

For the use of resources audit, the NAO has provided information on potential significant risks such as:

- Organisational change and transformation
- Significant funding gaps in financial planning
- Legislative or policy changes
- Repeated financial difficulties or persistently poor performance
- Information from other inspectorates and review agencies suggesting governance issues or poor service performance.

We consider the relevance of these risks to the authority in forming our risk assessment and audit strategy.

### Internal audit

We will ensure that we maximise the benefit of the overall audit effort carried out by internal audit and ourselves, whilst retaining the necessary independence of view.

We understand that internal audit reviews have been undertaken across a range of accounting systems and governance subjects. We will review relevant reports as part of our audit and consider whether to place any reliance on internal audit work as evidence of the soundness of the control environment.

# OVERALL AUDIT STRATEGY

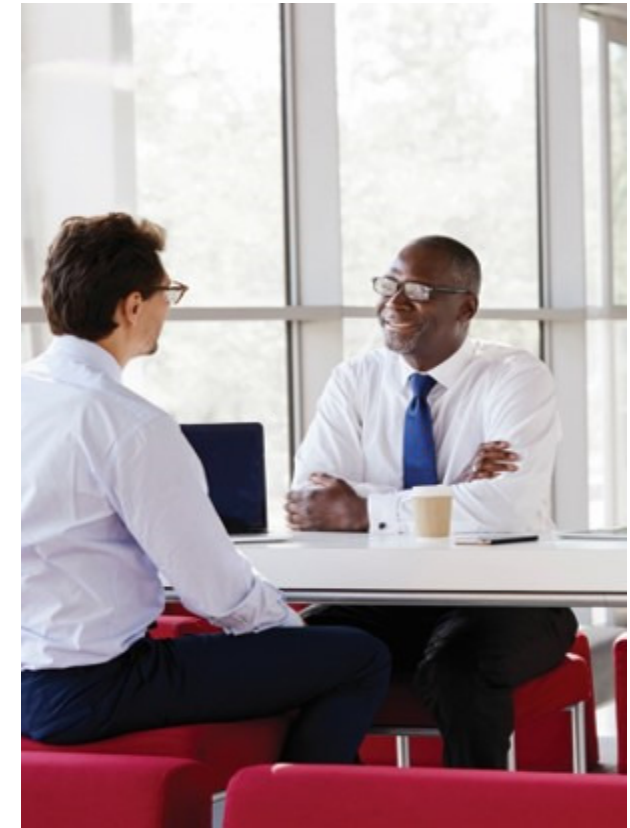
## Fraud risk assessment

We have discussed with management its assessment of the risk that the financial statements may be materially misstated due to fraud and the processes for identifying and responding to the risks of fraud.

Management believes that the risk of material misstatement due to fraud in the authority's financial statements is low and that controls in operation would prevent or detect material fraud. We are informed by management that there have not been any cases of significant or material fraud to their knowledge.

We are required to discuss with those charged with governance their oversight of management's processes for identifying and responding to risks of all fraud.

We expect Audit and Standards Committee members, as those charged with governance, to let us know if there are any actual, suspected or alleged instances of fraud of which they are aware. We will make these enquiries as part of the Audit and Standards Committee pre-meetings throughout the year.



# KEY AUDIT RISKS AND OTHER MATTERS

Key: ■ Significant risk ■ Normal risk

AUDIT RISK AREAS - FINANCIAL STATEMENTS			
RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Management override	<p>The primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement of departmental policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud.</p> <p>Under auditing standards there is a presumed significant risk of management override of the system of internal controls.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</li> <li>• Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud</li> <li>• Obtain an understanding of the business rationale for significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual.</li> </ul>	Not applicable.

## KEY AUDIT RISKS AND OTHER MATTERS

AUDIT RISK AREAS - FINANCIAL STATEMENTS			
RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Revenue and expenditure recognition	<p>Under auditing Standards there is a presumption that income recognition presents a fraud risk. For local authorities, the risks can be identified as affecting the accuracy and existence of income and expenditure.</p> <p>In particular, we consider there to be a significant risk in respect of the existence (recognition) and accuracy of the revenue and capital of grants that are subject to performance and / or conditions before these may be recognised as revenue in the comprehensive income and expenditure statement (CIES).</p> <p>We also consider there to be a significant risk in relation to the existence and accuracy of fees and charges recorded in the CIES and the completeness of expenditure.</p> <p>In the public sector, auditors focus their consideration of the risk of fraud and error on expenditure. As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Test a sample of grants subject to performance and / or conditions to confirm that conditions of the grant have been met before the income is recognised in the CIES</li> <li>• Test an increased sample of fees and charges and investment rental income to ensure income has been recorded in the correct period and that all income that should have been recorded has been recorded</li> <li>• Test an increased sample of transactions to ensure that expenditure has been recorded in the correct period.</li> </ul>	<p>Government grant funding will be agreed to information published by the sponsoring Department.</p>

## KEY AUDIT RISKS AND OTHER MATTERS

### AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Page 30</p> <p>Non-current asset valuations</p>	<p>Local authorities are required to ensure that the carrying value of non-current assets is not materially different to the current value (operational assets) or fair value (surplus assets, assets held for sale and investment properties) at the balance sheet date.</p> <p>The Council has appointed an external valuer to carry out revaluations on assets as at 31 March 2019.</p> <p>Due to the significant value of the Council's non-current assets, and the high degree of estimation uncertainty, there is a risk over the valuation of non-current assets where valuations are based on assumptions or where updated valuations have not been provided for a class of assets at the year-end.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Review the instructions provided to the valuer and the valuer's skills and expertise in order to determine if we can rely on the management expert.</li> <li>Confirm that the basis of valuation of assets valued in year is appropriate.</li> <li>Check that the beacon basis used to value the housing revenue account assets has been appropriately applied.</li> <li>Review the reasonableness of assumptions used in the valuation of non-current assets, the accuracy and completeness of the source data used by the valuer and the Council's critical assessment of the external valuer's conclusions.</li> <li>Check that the accounting policy adopted in relation to the valuation of assets is reasonable and that the aggregate of any assets that are not revalued in year would not create a material expected movement when compared to independent data.</li> <li>Review the reasonableness of assumptions used in any roll forward of asset values from valuation date to the balance sheet date and the value of assets not included in the valuation exercise.</li> </ul>	<p>We will review independent data that shows indices and price movements for classes of assets against the percentage movement applied by the Council. We will follow up valuation movements that appear unusual against indices, or any assets which have not been revalued at the year-end which may have had material movements since the last formal valuation.</p>



## KEY AUDIT RISKS AND OTHER MATTERS

AUDIT RISK AREAS - FINANCIAL STATEMENTS			
RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Pension liability assumptions	<p>The net pension liability comprises the Council's share of the market value of assets held in the London Borough of Barking &amp; Dagenham Pension Fund, and the estimated future liability to pay pensions.</p> <p>An actuarial estimate of the pension fund liability is calculated by an independent firm of actuaries with specialist knowledge and experience. The estimate is based on the most up to date membership data held by the pension fund and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation when calculating the liability.</p> <p>There is a risk the membership data and cash flows provided to the actuary as 31 March may not be accurate, or the valuation uses inappropriate assumptions to value the liability. Relatively small adjustments to assumptions used can have a material impact on the Council's share of the scheme liability.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Agree the disclosures to the information provided by the pension fund actuary</li> <li>• Review the consulting actuary report on the competency and experience of the actuary and the reasonableness of the assumptions used in the calculation</li> <li>• Obtain assurance over the controls for providing complete and accurate membership data to the actuary</li> <li>• Check whether any significant changes in membership data have been communicated to the actuary.</li> </ul>	<p>We will use the PwC consulting actuary report for the review of the methodology of the actuary and reasonableness of the assumptions.</p>
Group Accounts	<p>The Council is expected to produce consolidated Group Accounts for the first time in 2018/19. The Council holds interests in a number of subsidiary organisations and is involved in joint venture arrangements.</p> <p>The Council needs to ensure that it considers the requirements of IFRS 10 and IFRS 12, giving appropriate consideration to whether each of the subsidiaries are required to be consolidated. There is a significant risk that the consolidated financial statements will not be accurately prepared.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Hold early discussions with the Council to ensure that we agree with the approach taken to the consolidated group accounts</li> <li>• Review the Council's documented consideration of the requirements of IFRS 10 and IFRS 12</li> <li>• Perform audit testing on the draft consolidated Group Accounts to ensure that they are compliant with the Code.</li> </ul>	<p>Not applicable.</p>

## KEY AUDIT RISKS AND OTHER MATTERS

AUDIT RISK AREAS - FINANCIAL STATEMENTS			
RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Related party transactions	We need to consider if the disclosures in the financial statements concerning related party transactions are complete and adequate and in line with the requirements of the accounting standards.	<p>We will:</p> <ul style="list-style-type: none"> <li>Update our understanding of the related party transactions identification procedures in place and review relevant information concerning any such identified transactions</li> <li>Discuss with management and review senior management declarations to ensure there are no potential related party transactions which have not been disclosed; this is something we will require you to include in your management representation letter to us.</li> </ul>	Companies House searches for undisclosed interests.
New Accounting standards	Two new accounting standards will apply for the 2018/19 financial statements, these are IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers. At the time of issuing this Audit Plan we have not been provided with a clear consideration of what the impact of these standards will be on the financial statements.	<p>We will:</p> <ul style="list-style-type: none"> <li>Review the Council's consideration and approach when applying IFRS 9 and IFRS 15 to the financial statements</li> <li>Compare the accounting policies adopted by the Council to the requirements of these new accounting standards.</li> </ul>	Not applicable.

## KEY AUDIT RISKS AND OTHER MATTERS

AUDIT RISK AREAS - FINANCIAL STATEMENTS			
RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Allowances for non-collection of receivables	The Council's bad debt provision on aged debt is determined for each income stream using available collection rate data. The significant provisions include council tax arrears, non-domestic rates arrears, housing benefit overpayments, housing rents arrears and car parking. The bad debt provision is material overall.	We will review the provision model for significant income streams and debtor balances to assess whether it appropriately reflects historical collection rates by age of debt or arrears.	Not applicable.
	There is a risk that the provisions may not accurately reflect collection rates based on age or debt recovery rates for that income stream.		
Componentisation of council dwellings	For dwelling properties, we consider the split in value between land and building used in 2017/18 to be unusual and in addition we note the dwelling properties were not componentised. There is a risk that the annual depreciation charge is materially misstated.	<p>We will:</p> <ul style="list-style-type: none"> <li>Consider the reasonableness of the split in value between land and building using comparatives from other local authorities.</li> <li>Consider if a lack componentisation of buildings results in a material misstatement to the depreciation charge.</li> </ul>	Comparatives from other local authorities.

## KEY AUDIT RISKS AND OTHER MATTERS

### AUDIT RISK AREAS - USE OF RESOURCES

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Sustainable resource deployment	<p>The update to the Medium Term Financial Strategy to 2020/21 has forecast further reductions in Government core grant funding and a budget gap of £11.5m (after a planned one-off use of reserves). The current forecast position for 2018/19 is an overspend of £3.818, however this is heavily reliant on the successful delivery of the People and Resilience Action Plan.</p> <p>Identifying the required level of savings from 2018/19 will be a challenge and is likely to require difficult decisions around service provision and alternative delivery models. There is a significant risk that this will not be achieved, impacting on the financial sustainability of the Council in the medium term.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>Review the assumptions used in the Medium Term Financial Strategy and assess the reasonableness of the cost pressures and the amount of Government grant reductions applied</li> <li>Monitor the delivery of the budgeted savings in 2018/19 and the plans to deliver identified savings for 2019/20, particularly within the Adult and Children's services directorates</li> <li>Review the strategies to close the budget gap in the medium term</li> <li>Review the Council's reserve policy to ensure that the minimum level of reserves is maintained after the planned use of balances.</li> </ul>	Not applicable.

# INDEPENDENCE

## INDEPENDENCE

Under Auditing and Ethical Standards, we are required as auditors to confirm our independence to ‘those charged with governance’. In our opinion, and as confirmed by you, we consider that for these purposes it is appropriate to designate the Audit and Standards Committee as those charged with governance.

Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to have a bearing on our objectivity and independence as auditors. The principal statements of policies are set out in our firm-wide guidance. In addition, we have embedded the requirements of the Standards in our methodologies, tools and internal training programmes. The procedures require that engagement leads are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the engagement lead and the audit staff. This document considers such matters in the context of our audit for the year ending 31 March 2019.

We confirm that the firm complies with the Financial Reporting Council’s Ethical Standards for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

In our professional judgement the policies and safeguards in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit engagement lead and audit staff is not impaired. These policies include engagement lead and manager rotation, for which rotation is required after 5 years and 10 years respectively.

Page 35

### INDEPENDENCE - ENGAGEMENT TEAM ROTATION

#### SENIOR TEAM MEMBERS

#### NUMBER OF YEARS INVOLVED

Lisa Clampin - Engagement lead

1

Liana Nicholson - Senior Audit Manager

1

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.

# FEES

## FEES SUMMARY

Our proposed fees, excluding VAT, for the year ending 31 March 2019 are:

	2018/19 Proposed fee £	2017/18 Actual fee £
<b>Code audit fee</b>	127,801	165,975
<b>Fees for non-audit services - audit related services</b>		
• Certification of housing benefits subsidy claim	19,800	34,358
• Certification of pooled housing capital receipts return	3,250	5,750
• Certification of teachers' pensions return	3,250	2,900
<b>Fees for other non-audit services</b>	-	-
	26,300	43,008
<b>TOTAL FEES</b>	154,101	208,983

### Billing arrangements

We will raise invoices for the Code audit fee in two instalments as follows:

- £63,900.50 in September 2018
- £63,900.50 in March 2019

Following our firm's standard terms of business, full payment will be due within 14 days of receipt of invoice. Fee invoices for other services, including the certification of the housing benefits subsidy claim, will be raised as the work is completed.

### Amendments to the proposed fees

If we need to propose any amendments to the fees during the course of the audit, where our assessment of risk and complexity are significantly different from those reflected in the proposed fee or where we are required to carry out work in exercising our additional powers and duties, we will first discuss this with the Director of Finance. If necessary, we will also prepare a report outlining the reasons why the fee needs to change for discussion with the Audit and Standards Committee. It is likely that a variation to the fee will be required to the code audit fee in relation to the Council preparing consolidated group accounts for the first time in 2018/19.

### Our fee is based on the following assumptions

- The complete draft financial statements and supporting working papers will be prepared to a standard suitable for audit. All balances will be reconciled to underlying accounting records.
- Key dates will be met, including receipt of draft accounts and working papers prior to commencement of the final audit fieldwork.
- We will receive only one draft of the financial statements prior to receiving the final versions for signing.
- A near final draft of the Annual Report will be available at commencement of the final audit visit.
- Within reason, personnel we require to hold discussions with will be available during the period of our on-site work (we will set up meetings with key staff in advance).

# APPENDIX I: MATERIALITY

## CONCEPT AND DEFINITION

- The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.
- We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.
- Materiality therefore has qualitative as well as quantitative aspects and an item may be considered material, irrespective of its size, if it has an impact on (for example):
  - Narrative disclosure e.g. accounting policies, going concern
  - Statutory performance targets
  - Instances when greater precision is required (e.g. senior manager remuneration disclosures).
- International Standards on Auditing UK also allow the auditor to set a lower level of materiality for particular classes of transaction, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## CALCULATION AND DETERMINATION

- We have determined materiality based on professional judgement in the context of our knowledge of the authority, including consideration of factors such as sector developments, financial stability and reporting requirements for the financial statements.
- We determine materiality in order to:
  - Assist in establishing the scope of our audit engagement and audit tests
  - Calculate sample sizes
  - Assist in evaluating the effect of known and likely misstatements on the financial statements.

# APPENDIX I: MATERIALITY

## REASSESSMENT OF MATERIALITY

- We will reconsider materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality if we had been aware.
- Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will reconsider whether materiality combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope. If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.
- You should be aware that any misstatements that we identify during our audit, both corrected and uncorrected errors, might result in additional audit procedures being necessary.

## UNADJUSTED ERRORS

- In accordance with auditing standards, we will communicate to the Audit and Standards Committee all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.
- Clearly trivial is defined as matters which will be of a wholly different (smaller) order of magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate.
- We will obtain written representations from the Audit and Standards Committee, confirming that in their opinion these uncorrected misstatements are immaterial, both individually and in aggregate and that, in the context of the financial statements taken as a whole, no adjustments are required.
- There are a number of areas where we would strongly recommend/request any misstatements identified during the audit process being adjusted. These include:
  - Clear cut errors whose correction would cause non-compliance with statutory performance targets, management remuneration, other contractual obligations or governmental regulations that we consider are significant.
  - Other misstatements that we believe are material or clearly wrong.



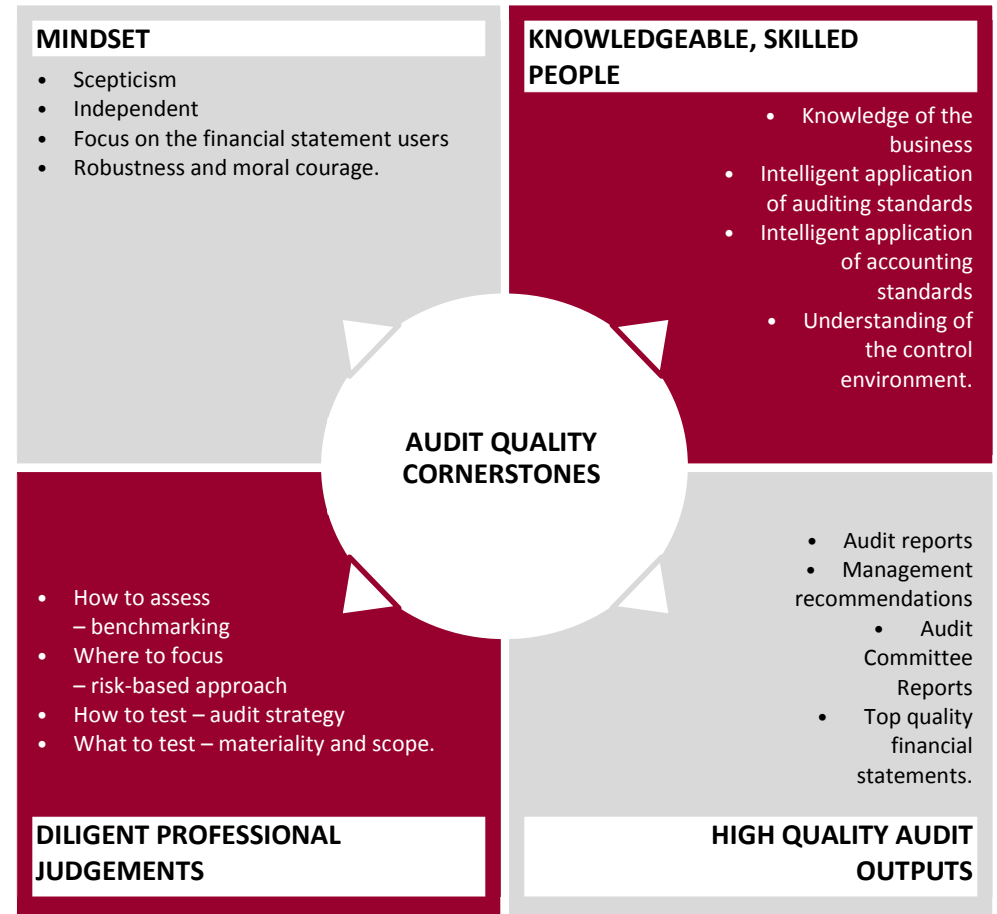
# APPENDIX II: AUDIT QUALITY

## AUDIT QUALITY

### BDO's audit quality cornerstones underpin the firm's definition of audit quality

- BDO is committed to audit quality. It is a standing item on the agenda of the Leadership Team, who in conjunction with the Audit Stream Executive, monitors the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections. We welcome feedback from external bodies and are committed to implementing necessary actions to address their findings.
- We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external regulators, the firm undertakes a thorough annual internal Audit Quality Assurance Review and as a member firm of BDO International network we are also subject to a quality review visit every three years.

Page 39



The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

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## AUDIT AND STANDARDS COMMITTEE

16 January 2019

<b>Title: Preparation of 2018/2019 Annual Accounts &amp; External Audit</b>	
<b>Report of the Monitoring Officer</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Grantley Miles, Acting Chief Accountant	<b>Contact Details:</b> Tel: 0208 227 3287 E-mail: <a href="mailto:grantley.miles@lbbd.gov.uk">grantley.miles@lbbd.gov.uk</a>
<b>Accountable Director:</b> Helen Seechurn	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<p><b>Summary</b></p> <p>The Council is required by the Accounts and Audit Regulations 2015 to publish its audited Annual Accounts by the 31<sup>st</sup> July each year. Last year 2017/18 was the first year in which the Council had to meet a tighter deadline, which was two months less than in previous years. The Council met this new deadline and published its accounts by the 31 July 2018. However, meeting this deadline remains a significant challenge for Councils and Auditors going forward.</p> <p>This report outlines the process, plan and timetable for preparing the Statement of Accounts for 2018/19 to enable the Council to discharge its statutory responsibilities and publish the audited accounts by the 31<sup>st</sup> July 2019.</p> <p>The report also considers the lessons that were learned from the 2017/18 audit process in order to ensure continuing improvements in the closing processes for the future.</p>	
<p><b>Recommendation(s)</b></p> <p>(i) That the Committee notes the preparatory work which has been undertaken by Officers to plan and prepare for the closure of the 2018/19 Statement of Accounts to enable the audited accounts to be published by the 31 July 2019.</p> <p>(ii) That the Committee notes the key deadlines and process.</p>	
<p><b>Reason(s)</b></p> <p>To advise members of the Audit and Standards Committee of the preparatory work and planning and timetable for which have been put in place to ensure that the Council achieve the statutory deadline of publishing the Annual Accounts by the 31 July 2019.</p>	

## **1. Introduction and Background**

- 1.1 The Accounts and Audit Regulations 2015 require that the Statement of Accounts for 2018/19 are prepared by the 31<sup>st</sup> May and audited by the Council's external auditors by the 31<sup>st</sup> July with the publishing of the audited accounts immediately following the audit.
- 1.2 These targets represent a significant a challenge for all Councils and external auditors to achieve with one month less for preparing the draft accounts and two months less for reporting the audited accounts. Last year, the Council met the new targets for the 2017/18 Statement of Accounts.
- 1.3 The audit of the annual accounts forms an important element of the overall financial control framework for a Local Authority. The process gives local taxpayers a public right of access to examine the Council's statement of Accounts and supporting records enabling them to hold to account the Council in relation to its spending and financial performance. This provides local electors with confidence that the Council is exercising proper stewardship over monies raised by the Council and that the Council is discharging its fiduciary responsibility to tax payers by achieving value for money in the disbursement of monies upon the services for which the Council is responsible.
- 1.4 Despite achieving the statutory deadlines in 2017/18, identifying improvements and changes which will enable the Council to continue to meet these challenging deadlines more comfortably going forward is a priority for the Council.
- 1.5 In order to ensure that the Council meets the statutory deadlines for 2018/19 the Council has:
  - reviewed and updated the Closing of Accounts timetable
  - reviewed the financial guidance issued to departmental staff involved in the closing process
  - carried out a staff workshop to identify what closing activities went well in the 2017/18 closing of accounts process and those which did not go so well, to identify potential improvements and changes to processes and identify areas of risk.
  - considered the issues identified by external audit arising from the closing of accounts process which were reported to the Authority in 2017/18.
  - reviewed the Statement of Accounts to declutter the statements and make more accessible to the reader and prepare an abbreviated version for the lay person.
- 1.6 This report updates members on all of the work that has been undertaken to ensure that the Council achieves the statutory deadlines in 2018/19.

## **2. Closing of Final Accounts Timetable & Guidance to Budget Managers**

- 2.1 The timetable is a key document in the closing of accounts process. It is essential that in order to achieve the tight deadlines for closing the final accounts that the Council has a timetable which identifies the activities, deadlines and individual staff

responsibilities which are key to deliver the audited Statement of Accounts by the deadline of the 31<sup>st</sup> July. The principle is that if every deadline within the timetable is achieved, then the ultimate deadlines will be achieved. If an activity does not meet the deadline then urgent management action has to be taken

- 2.2 A review has been undertaken of the Council's timetable and this has been updated to reflect the changes in staff responsibilities since 2017/18. As there has been a restructure which took place in 2018/19 within Finance it has been necessary to make changes to the timetable in relation to dates and to consider the allocation of activities and responsibilities amongst staff.
- 2.3 Consultation on the timetable has taken place with finance staff and departmental staff in relation to the deadlines and responsibilities in the draft timetable and their knowledge and information has been fully reflected.
- 2.4 Detailed financial guidance has been drafted for those staff in directorates who are involved in the closing of accounts process.
- 2.5 As this is an annual process, a series of training workshops has also been scheduled for new departmental Budget Managers and also as a refresher for those Budget Managers who have been through the process previously, but need an update on any changes. These workshops will take place between the 11 and 22 March to ensure all departmental and finance staff understand the activities and processes and to ensure they are clear on the deadlines by which they have to be completed.
- 2.6 BDO, the Council's new external auditor has advised that the records required list will be provided to the Council during January. A technical workshop has also been arranged for all finance staff to go through; the timetable, any changes to processes, the records required list and changes to accounting standards.
- 2.7 The key dates in the timetable are:-

<b>Activity</b>	<b>Deadline</b>
Interim Audit by BDO begins	4 February 2019
Interim Audit by BDO ends	22 February 2019
Timetable and Guidance issued	28 February 2019
Closing Workshops for Budget Managers and finance staff	11–22 March 2019
End of 2018/19 financial year	31 March 2019
Completion and Signature of Draft Accounts by S151	31 May 2019
Draft Accounts published & provided to BDO for audit	1 June 2019
BDO commence Final Audit	3 June 2019
Period for Public right to Inspect Statement of Accounts begins	3 June 2019
Period for Public right to Inspect Statement of Accounts ends	12 July 2019
Council receives ISA 260 from BDO	17 July 2019
Audit & Standards Committee considers ISA 260 Audited Accounts	* 31 July 2019
Chair signs Audited accounts confirming they have been approved	31 July 2019
Deadline for BDO to sign Audit Certificate	31 July 2019
2018/19 Statement of Accounts published	1 August 2019

\*date to be confirmed with Democratic Services

### **3. 2017/18 Closing of Accounts - Lessons Learned**

3.1 Following the completion of the 2017/18 Accounts, a workshop was convened with all staff in finance to review the processes which were undertaken to produce the 2017/18 Draft Statement of Accounts. In pursuit of continuous improvement, the workshop considered the processes and procedures which worked well in 2017/18 which should be continued and those which were problematic and need revision and improvement. The purpose was to build on the successful achievement of the new deadline by embedding the successful changes and by developing alternative arrangements to replace those changes which were not a success.

A number of areas were identified as having worked well in 2017/18 and these will be continued in 2017/18.

- The Council had a detailed timetable and guidance for Managers and Finance teams
- Effective team work took place between Finance, Budget Managers and Auditors
- Regular monitoring meetings took place to monitor progress against the timetable.
- The workshops provided enabled everybody to familiarise themselves with the process in advance enabling a better understanding the theory and outcomes required.
- Early engagement with the key stakeholders reduced the time taken to provide information
- Better in year financial monthly monitoring took place enabling an early view of the Revenue Outturn
- Accruals based on reasonable estimates and over analysis was avoided
- A better standard of quality working papers were prepared leading to less audit queries being requested
- Coordination of audit responses more organised
- The audit started earlier so there was better access to schools

#### **Activities/ procedures/ processes that could be improved**

- Balance sheet reconciliation
- Receipting process (over/under)- clear out old PO's/Accruals
- Schools balances
- A process for ensuring all Balance Sheet Accounts has been designed and is in operation.
- A proposal to review all under and over receipting and therefore accrual and remove all old transactions has been put designed and this is due to start in January.

Work has been put in place to strengthen the procedures for collecting data from schools in a timely manner so that more up to date data can be included in the draft accounts.

- 3.2 The Auditors' report (ISA260) on the 2017/18 accounts identifies a number of areas where the Council can improve, in order to improve the closing process.

### **Risks identified in the Auditors Report ISA 260**

- 3.3 It was identified that the Valuer omitted providing a value for one of the properties on the asset list and therefore an asset value was not included in the draft accounts. This was adjusted in the final audited accounts.
- 3.4 The auditors also identified some issues with ownership and existence of assets. This arose because one asset which had been disposed of in 2016/17 still remained in the asset register and was shown in the draft accounts although the school had received Academy status in 2016/17 which meant that the asset should have been removed. This was adjusted in the final audited accounts. It was also noted that there were weaknesses in the processes and procedures to maintain accurate valuations of some assets.
- 3.5 The auditors also identified an issue in that an estimate of school balances was £1.3m different from that included in the draft accounts. This was because the draft accounts had been prepared based on the schools quarter 3 returns. This was adjusted in the final audited accounts.

### **Recommendations made in the ISA 260 for action in 2018/19**

- 3.6 **Recommendation 1** was made in relation to segregation of duties between the raising of manual journals and the authorisation. Whilst the Council's systems have embedded arrangements so that all journals have to be separately raised and authorised. The arrangement is such that the Council is not able to evidence this by reporting from the system as this is carried out by workflow and the data is not retained beyond a month. Consequently, the Council was not able to provide this evidence to the auditors during the audit.

*The Council has put in place arrangements in 2018/19 to capture this data manually on a monthly basis to provide the evidence to auditors in future. This will also enable the Authority to routinely review manual journals which have been raised and approved to ensure that no override of the segregation of duties control is taking place or has taken place.*

- 3.7 **Recommendation 2** was made in relation to Related Party Declarations. It was identified during the 2017/18 audit that two declarations had not been received from Councillors. The noted that there is therefore a risk that conflicts of interest are not identified. This arose because two councillors who were not standing for re-election did not return their forms. The auditors recommended that the process of collecting Related Party Declaration is started earlier to enable more time for collecting these returns.

*The Authority has brought forward the date in the 2018/19 closing of accounts timetable for the collecting of Related Party Declarations from Members and Officers which it is hoped will prevent this occurring in future.*

- 3.8 **Recommendation 3** recommends that a quality check of assumptions and the accuracy of the valuation report is carried out. This was concluded because the audit identified an error in the valuation report by the valuer with part of an asset

being omitted from a value provided in the valuation report. The external auditor recommends that a sample check of the valuer's report and valuer's assumptions is carried out by the Council. They also noted an improvement in this area over previous years.

*The Council has requested that the valuer undertakes an analysis of the changes in the values between 2017/18 and 2018/19 and provides an explanation for the changes in values for each asset and any change in their assumptions as part of their report. The Council will sample check these changes and values and assumptions and discuss these with the valuer.*

- 3.9 Recommendation 4** this recommended that a stringent review is carried out in relation to the Fixed Asset Register (FAR) to confirm the existence assets and accuracy of asset data so that the FAR can be updated and the valuers provided with accurate floor area data. It is also recommended that the data in valuers report is reviewed.

*The Capital team has already met with the Chief Valuer in My Place to request a complete review of Assets and Asset data and requested that this is signed off by a Senior Officer in My Place to confirm that the data has been checked and is accurate. The Capital team will also request the Legal Department to provide independent confirmation of all acquisitions and disposals, to ensure all changes to the asset portfolio and check assets to deed packets. The data in the 2018/19 valuers report will be reviewed when received.*

#### **4 Financial Implications**

- 4.1 The financial implications are considered throughout this report.

#### **5 Legal Implications**

- 5.1 The Council is required by the Accounts and Audit Regulations 2015 to publish its audited Annual Accounts by the 31<sup>st</sup> July each year.

#### **6. Other Implications**

- 6.1 **Risk Management** – The risk management implications are identified in the body of the report
- 6.2 **Customer Impact** – There are no customer impact implications arising from this report.

**Public Background Papers Used in the Preparation of the Report:**2017/18 External Audit Report (ISA 260) report.



**AUDIT AND STANDARDS COMMITTEE****16 January 2019**

<b>Title:</b> Internal Audit report 2018/19 Quarter 2 (July -September 2018)	
<b>Report of the Monitoring Officer</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Rachel Paddon, Interim Head of Audit	<b>Contact Details:</b> Tel: 07795177099 E-mail: <a href="mailto:rachel.paddon@lbbd.gov.uk">rachel.paddon@lbbd.gov.uk</a>
<b>Accountable Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary:</b> This report brings together all aspects of internal audit work undertaken to date during 2018/19. The report details audit progress and results to 30 September 2018 and includes details of the overdue high-risk recommendations outstanding and actions being taken by management to address these.	
<b>Recommendation:</b> Audit and Standards Committee is asked to note the contents of the report.	

**1. Risk and compliance audits 2018/19**

- 1.1. The planned risk and compliance audit plan has one new audit added and four removed as detailed in Section 1.
- 1.2. At the end of Q2, 32% of the risk and compliance audits were at least at draft report stage, exceeding the target of 25%.

**2. Schools audits 2018/19**

- 2.1. Work is completed to risk assess the schools in the Borough to inform a risk-based schools' audit plan and this is expected to be finalised in Q3.
- 2.2. The schools audit plan has four new schools and two removed as detailed in Section 2. The current plan is expected to consume 50 days of effort, leaving 40 days to deliver the remainder of the schools' audit plan for 2018/19.

**3. Outcomes of the internal audit work**

- 3.1. We have issued five final reports in the quarter, three risk and compliance and two schools.
- 3.2. One report, Adoptions, was "No assurance" due to issues with access to adoptions records. Action to address the critical risk rating finding is in progress, expected to be completed by end of October 2018. A full follow up audit of adoptions has been scheduled for November 2018 to independently verify the actions taken in response to the audit findings.
- 3.3. One report, Cyber Security, was "Limited assurance".

**4. Progress in implementation of internal audit recommendations as at 30 June 2018**

- 4.1. Internal Audit tracks management progress in implementing all critical and high-risk findings by way of a chase up or follow up to the audit client accordingly.
- 4.2. There are three outstanding overdue high-risk findings as at 30 September 2018.

**5. Financial Implications**

- 5.1 Internal Audit was fully funded for 2018/19. The additional budget was agreed for Internal Audit at the beginning of 2018/19 to enable delivery of the full plan as proposed and approved by Audit and Standards Committee.

**6 Legal Implications**

- 6.1 This has no legal implications.

**7. Other Implications**

- 7.1 **Risk Management-** The corporate counter fraud activity is risk-based and therefore support effective risk management across the Council.
- 7.2 **No other implications to the report.**

**8. Public Background Papers Used in the Preparation of the Report:**

None

**9. List of Appendices**

- 9.1 Internal Audit 2018/19 Quarter 2 update
- 9.2 Internal Audit Plan 2018/19

## Appendix 1: Internal Audit 2018/19 Q2 update

### 1. Progress against internal audit plan 2018/19 as at 30 September 2018

#### Risk and compliance audits

1.1. The following table details the changes to the 2018/19 audit plan made in Q2, July 2018 to September 2018:

Added	Removed	# of 2018/19 audits as at end of Q2
1	4	25

1.2. In addition to the one audit added and four audits removed from this year's plan, the indicative timing changed within 2018/19 for three audits. All changes are detailed in the following table:

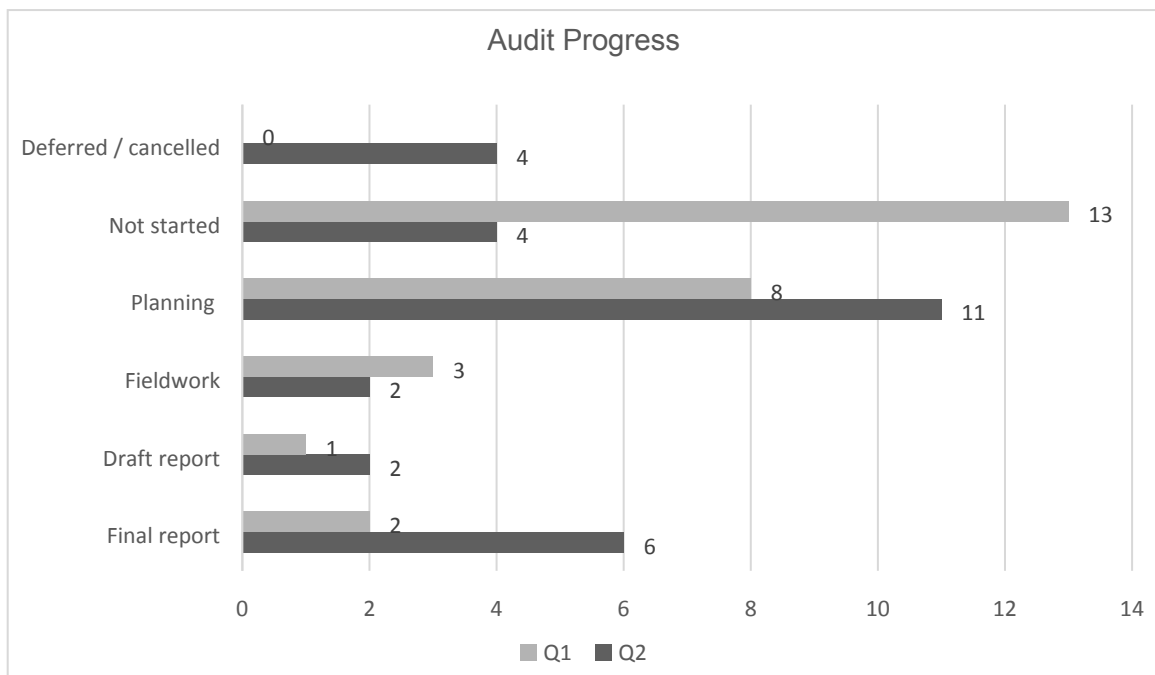
Audit title	Change	Rationale for change
Adoptions (follow up)	Added to Q3	Full follow up review added following the "no assurance" report issued in Q2.
Special Guardianship Orders	Removed	Issues reported in the adoptions audit will be relevant to SGOs and therefore auditing SGOs at this stage would be of limited value. To be considered for 2019/20 audit plan.
Adaptations Grant Scheme	Removed	Scheme suspended with no new applicants, to be revised and relaunched for 2019/20. To be considered for 2019/20 audit plan.
Brexit Impact	Removed	Due to the uncertainties regarding Brexit, limited work has been undertaken in this area so it is not ready for audit in 2018/19. To be considered for 2019/20 audit plan.
Budgetary Controls and Savings Management	Removed	High risk budgetary and savings management controls relating to transformation were subject to audit in 2017/18 as part of the internal audit of Transformation. Confirmed with management that there are no significant changes to this control environment since this audit beyond implementation of the agreed actions to strengthen the controls. Due to the senior management changes, expected to be an area subject to management review and change so limited value in audit at this stage. To be considered for 2019/20 audit plan.

Be First Procurement	Deferred from Q3 to Q4	Deferred due to delays in new framework development to allow for audit post development in January 2019.
Parks and Grounds Maintenance	Deferred from Q3 to Q4	Deferred to allow a full six months running (completed July 2018) of the revised control environment prior to testing.
Gifts and hospitality	Brought forward from Q3 to Q2	Brought forward to balance the plan for deferrals of Homelessness Reduction and Be First Procurement audits from Q2 to later in the year

The current internal audit plan is detailed at Annex A.

1.3. The table and graph below indicate the progress made against the 2018/19 audit plan as at 30 September 2018.

Not started	Planning	Fieldwork	Draft report	Final report
4	11	2	2	6



1.4. At the end of Q2, 8 of the remaining 25 audits (32%) were at least at draft report stage, exceeding the target of 25%. Work had commenced on most of the risk and compliance audits (21 of the 25; 84%).

## 2. Schools' audits

2.1. Historically, schools within the Borough have been audited on a cyclical basis of once every three years using a standard scope and approach for all schools. These audits have been fully outsourced to Mazars.

2.2. For 2018/19, Mazars have been asked to undertake a risk assessment of all schools in the Borough to inform a risk-based approach to schools' audits. At

the end of Q2, fieldwork had been completed and the output of this work, including a proposed schools audit plan for 2018/19 was being drafted.

- 2.3. The following table details the changes to the 2018/19 schools audit plan made in Q2, July 2018 to September 2018:

<b>Added</b>	<b>Removed</b>	<b># of 2018/19 audits as at end of Q2</b>
4	2	10 *

\* This consists of the risk assessment, follow up plus eight schools.

- 2.4. The only changes to the schools audit plan were the addition of four schools and removal of two as detailed in the following table. There were no indicative timing changes within 2018/19 in the quarter:

<b>School</b>	<b>Change</b>	<b>Rationale for change</b>
Barking Abbey	Added to Q2	High risk as not audited since 2015/16 when audit identified 15 findings.
Marks Gate Infants	Added to Q3	High risk as limited assurance conclusion in audit in 2016/17.
Thomas Arnold	Added to Q3	High risk as limited assurance conclusion in audit in 2016/17.
Dorothy Barley	Added to Q3	High risk as audits scheduled for 2016/17 and 2017/18 were deferred.
Furze Infants	Removed	Included in audit plan as believed to have not been audited for three years; further investigation by Mazars identified this as an error and confirmed that the school was audited in the last three years and received substantial assurance. No risk factors therefore identifying need to audit in 2018/19.
Five Elms	Removed	

The current internal audit plan is detailed at Annex A.

- 2.5. The table and graph below indicate the progress made against the 2018/19 audit plan as at 30 September 2018.

<b>Not started</b>	<b>Planning</b>	<b>Fieldwork</b>	<b>Draft report</b>	<b>Final report</b>
0	3	3	0	2

The 2018/19 audit plan included an allocation of a total of 90 days for schools' audits. The current plan is expected to consume 50 days of effort, leaving 40 days to deliver the remainder of the schools' audit plan for 2018/19.

### 3. Outcomes from finalised 2018/19 internal audit work

3.1. Internal audit reports include a summary level of assurance. The following assurance levels have been issued in the year to date:

	Substantial	Reasonable	Limited	No	n/a
<b>Risk and compliance</b>					
Q1:	1	0	0	0	1
Q2:	0	1	1	1	1
	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Schools</b>					
Q1:	0	0	0	0	0
Q2:	1	1	0	0	0
	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.2. The following final reports were issued in the quarter:

Audit title and objective of the work	Assurance level and summary of findings
<p><b>Sickness Absence [review]</b></p> <p>The objective of this review was to independently identify the reasons for the reported non-compliance with sickness absence policies and procedures.</p>	<p><b>Assurance level n/a</b></p> <p>We identified considerable improvements implemented since our “limited compliance” audit in Audit 2016.</p> <p>We reported the following three medium risk findings regarding the need to ensure action taken, or decisions not to take action, are recorded, and the need for prompt action.</p> <p>We also identified one low risk finding regarding managers needing to inform HR of action taken.</p>
<p><b>Cyber Security</b></p> <p>The objective of the audit was to evaluate the control design and test the operating effectiveness of key controls in place relating to Cyber Security.</p>	<p><b>Assurance level – limited</b></p> <p>We found controls over Cyber Security at were of limited effectiveness. The split in responsibility between Elevate and the Council’s internal IT team may have contributed to some of the issues we identified. We highlight that reviews at other London Boroughs performed in the last six months performed by the Cyber Security subject matter experts involved in this review confirms that many of these findings are similar to those found in other councils.</p> <p>We identified the following high and medium risk findings:</p> <ul style="list-style-type: none"> <li>• Owners of Cyber Security risks did not have sufficient oversight of Cyber Security operations (high risk)</li> </ul>

	<ul style="list-style-type: none"> <li>• Policies are out-of-date or are not sufficiently mature (medium risk)</li> <li>• Sophisticated event monitoring capabilities exist within LBBB, but are not fully utilised (medium risk)</li> <li>• A lack of oversight and monitoring of user access (medium risk)</li> <li>• Incident response plans do not exist beyond a general procedure (medium risk)</li> </ul> <p>We also identified one low risk finding.</p>
<p><b>Adoptions</b></p> <p>The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place over adoptions from during April 2017 to June 2018.</p>	<p><b>Assurance level – no</b></p> <p>Liquidlogic’s Children’s System went live for children’s services, including adoptions in March 2018, replacing the legacy system, Northgate. Due to issues with evidence not being available on Liquidlogic, we were unable to verify the operation of a number of the controls and processes detailed to us during interviews.</p> <p>We identified one critical risk finding regarding incomplete access to adoptions records following the migration of records to Liquidlogic.</p> <p>We also identified two medium risk findings:</p> <ul style="list-style-type: none"> <li>• Timely responses to initial enquiries</li> <li>• Adherence to recommended assessment processes and timeframes</li> </ul>
<p><b>IR35</b></p> <p>The objective of this audit was to evaluate the control design and operating effectiveness of key controls in place relating to IR35 compliance during the period April 2018 to June 2018.</p>	<p><b>Assurance level – reasonable</b></p> <p>There was knowledge of IR35 and its requirements among managers undertaking assessments and, as a result, the sample of IR35 assessments tested were found to be defensible under tax law.</p> <p>However, we identified a number of supporting controls had not yet been implemented. Due to efforts being focused on initial compliance, there was still a need to develop the business as usual processes to ensure ongoing compliance.</p> <p>We identified no critical risk findings and the following high and medium risk findings:</p>

	<ul style="list-style-type: none"> <li>• Absence of effective review of temporary labour costs to assess compliance (high risk).</li> <li>• Adecco contract not updated for IR35 (medium risk).</li> </ul> <p>We also identified two low risk findings.</p>
<p><b>Eastbrook School</b></p> <p>The objective of the audit was to ensure that the school had adequate and effective controls with regards to the financial management and governance of the school.</p>	<p><b>Assurance level – substantial</b></p> <p>The audit demonstrated significant improvement in the control environment since the last audit.</p> <p>We identified no critical or high risk findings. One medium risk finding related to inventory records.</p> <p>We also identified two low risk findings.</p>
<p><b>Barking Abbey School</b></p> <p>The objective of the audit was to ensure that the school had adequate and effective controls with regards to the financial management and governance of the school.</p>	<p><b>Assurance level – reasonable</b></p> <p>The audit confirmed improvement in the control environment since the last audit in 2015/16.</p> <p>We identified no critical or high risk findings. One medium risk finding related to risk assessments not being up to date.</p> <p>We also identified seven low risk findings.</p>

#### 4. Progress in implementation of audit findings as at 30 June 2018

- 4.1. Internal audit findings are categorised critical, high, medium and low risk (or advisory) depending upon the impact of the associated risk attached to the recommendation. A critical risk is defined as requiring immediate and significant action. A high risk is defined as requiring prompt action to commence as soon as practicable where significant changes are necessary.
- 4.2. Management are expected to implement all critical and high-risk recommendations by the agreed target dates. Internal Audit tracks management progress by way of a chase up or follow up to the audit client accordingly. Slippage in implementing agreed actions does occur and requires management to instigate revised targets and consider ways to mitigate the identified risks.



4.3. One finding has been rated critical risk as detailed in the following table.

Critical Risk Rated Finding	Agreed Action	Latest progress
<b>Adoptions</b> (reported August 2018)		
<p>Liquidlogic went live in March 2018, replacing the previous Northgate system from which data was migrated. Statute requires adoption records to be retained for 100 years.</p> <p>We tested five adoptions, including both the adoptee and the adopter files. We identified issues with accessing complete records in Liquidlogic for all six (one adoption involved two children) adoptee files.</p> <p>We identified issues with accessing complete records in Liquidlogic for all seven adopter's files.</p> <p>Our interviews, verified by our testing, also identified that the Northgate system was not consistently available.</p> <p>The above are a result of issues with the migration of records to Liquidlogic.</p>	<p>Immediate action has been taken to understand and address the migration issue allowing the required staff access to full records consistently.</p> <p>We are providing support through resource to assist with the backloading of missing records into Liquidlogic. This will enable the social workers to access the review reports and continue the adoption recording process for ongoing cases.</p> <p>Contact will be made with the relevant social worker for the file where the adoptee's address was out of date to confirm the reason for the issue and rectify.</p> <p>Our Data Migration lead will investigate how the missing Adopters records can be migrated to Liquidlogic. In the interim, we will provide access to the records in the legacy system.</p> <p>Historical records (pre-2004) held as scanned documents will be transferred to Liquidlogic.</p> <p><b>Target dates:</b> from implemented as at 28</p>	<p><b>In progress, expected to be completed by end of October 2018</b></p> <p><i>A full follow up audit of adoptions has been scheduled for November 2018 to independently verify the actions taken in response to the audit findings.</i></p>

	August 2018, to 31 October 2018.	
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4.4. The table below summarises the high-risk findings, as at 30 June 2018, that have reported, implemented, were outstanding and were beyond their due date:

	Reported	Implemented	Outstanding	Beyond due date
Prior to 2017/18	11	10	1	1
2017/18	15	11	4	2
2018/19	2	0	2	0
<b>Total:</b>	<b>28</b>	<b>21</b>	<b>7</b>	<b>3</b>

4.5. The current progress in implementing the overdue high-risk recommendations has been reported by management to be as detailed in the following table:

Finding	Agreed Action	Latest progress
<b>Reported prior to 2017/18</b>		
<b>Records Compliance</b>		
There is no list of information asset owners (IAO), a list is in the process of being compiled. The roles and responsibilities of the IAO's has not been defined or communicated to officers. A part time consultant has been appointed and is in the process of identifying IAOs.	a. Roles and responsibilities for IAO's should be clearly defined and communicated and incorporated into job descriptions b. Basic training on the requirements of IAO's should be given to those holding the role.  Target: 31/12/15	<b>In progress, expected to be completed by December 2019:</b> An Information Asset Register has been launched and is being developed. IAOs have been identified for 136 IT systems. The next stage is to address IAO training needs.
<b>Reported 2017/18</b>		
<b>Planning enforcement</b>		
<b>Lack of policies and operational procedures</b>  Relevant policies should be supported by up to date operational procedures to support consistent application of policies.  We found that there are no Council policies or	Policies and procedures will be introduced. These will include the actions required within the life-cycle of an investigation including: <ul style="list-style-type: none"> <li>• Correct logging</li> <li>• Timescales</li> <li>• Evidence needed</li> <li>• Actions required</li> </ul>	<b>In progress, expected to be completed by end of November 2018:</b> A Local Enforcement Plan and operational procedures are being developed with the revised target date of end of November 2018.

<p>operational procedures in place.</p> <p>This is due to reliance being placed upon the high level national level policy concordat and guidance and NPPF national planning policy framework. However, this has created lack of guidance for arising in the findings documented below.</p>	<ul style="list-style-type: none"> <li>• Appeals</li> </ul> <p>Relevant staff will be made aware of the location and content of the policies and procedures.</p> <p>The procedures will be reviewed, and updated where necessary, at least every two years.</p> <p>Target: 30/6/18</p>	<p>In the interim, all work is being reviewed by the manager.</p>
<p><b>Security of Corporate Buildings</b></p>		
<p><b>Security risk assessments</b></p> <p>The identification of responsibility for the completion of a security risk assessment for each corporate building, and completion of such risk assessments by appropriately qualified and experienced officers, will help to identify the potential hazards which may pose a threat to Council assets and staff.</p> <p>While we requested details of security risk assessments completed for corporate buildings and responsibility for their completion, none were provided.</p>	<p>Responsibility for management and completion of Security Risk Assessments of corporate buildings should be identified and documented within a Security Policy with a standard procedure agreed.</p> <p>Security risk assessments should be undertaken in line with procedures.</p> <p>Where security issues are identified from such risk assessments, they should be escalated for discussion and where applicable included within a Risk Register subject to ongoing monitoring.</p> <p>Target: 31/7/18</p>	<p><b>In progress, expected to be completed by end of January 2019:</b> Risk assessments for Barking Town Hall, Roycraft, Barking Learning Centre, Dagenham Library and John Smith House have been commissioned. A project group to address the audit findings has been created, revised target date of January 2019.</p> <p><i>A full follow up audit of security of corporate buildings has been scheduled for Q4 (January to March 2019) to independently verify the actions taken in response to the audit findings.</i></p>

## 5. Internal audit performance as at 30 June 2018

Purpose	Target	Performance & RAG Status	What it measures
<b>Output Indicators (Efficiency)</b>			
% of 2018/19 Audit Plan completed (Audits at draft report stage)	>25% by 30/9/18	32% - GREEN	Delivery measure
	>50% by 31/12/18		
	>80% by 31/3/19		
	100% by 31/5/19		
Meet standards of Public Sector Internal Audit Standards	Substantial assurance or above from annual review	Confirmed * - GREEN	Compliant with professional standards
<b>Outcome Indicators (Effectiveness - Adding value)</b>			
High Risk Recommendations not addressed within timescales	<5%	11% - RED	Delivery measure
Overall Client Satisfaction	> 85% ratings excellent, good or adequate (i.e. not rated poor)	94% for 2017/18 – GREEN 100% for 2018/19 to date – GREEN	Customer satisfaction

\* Internal Audit was substantively provided by Mazars LLP in 2017/18. Mazars have provided confirmation from a review carried out during October and November 2016 of conforming to the requirements of the Public Sector Internal Audit Standards and the Local Government Application Note.

Internal Audit for 2018/19 is being provided by a combination of the in-house team, Mazars LLP and PwC LLP. All teams have confirmed ongoing compliance with the Public Sector Internal Audit Standards.

## Appendix 2: Current internal audit plan 2018/19 as at 30 September 2018

1.1. The internal audit plan 2018/19 was been approved by the March 2018 Assurance Group and June 2018 Audit and Standards Committee.

1.2. The following audits have occurred or are in progress as at the end of Q2:

Audit title	Audit objective	Status at 30 June 2018
<b>Risk and compliance</b>		
Subject Access Requests	The objective of this audit was to evaluate the control design and operating effectiveness of key controls in place over Subject Access Requests in 2017/18 (1 April 2017 to 31 March 2018) in the key risk areas of HR and Housing (My Place).	Final report issued in Q1 – substantial assurance.
Museum Accreditation [review]	The object of the review was to independently review compliance of Valence House Museum with the requirements of the National Accreditation Scheme for Museums and Galleries as at May 2018.	Final report issued in Q1 – assurance level not applicable, no concerns regarding accreditation identified.
Recruitment	The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place relating to recruitment for the period April 2017 to March 2018.	Draft report; awaiting final management responses; expected to final report October 2018.
Cyber security	The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place over Cyber Security.	Final report issued in Q2 – limited assurance
IR35	The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place over processes to ensure IR35 compliance in the period April 2018 to June 2018.	Final report issued in Q2 – reasonable assurance
Review of Sickness Absence [review]	The objective of this review was to independently identify the reasons for the reported non-compliance with sickness absence policies and procedures as at the end of April 2018.	Final report issued in Q2 – assurance level not applicable, confirmed considerable improvements since the previous audit in 2016.
Adoptions	The objective of this audit was to evaluate the control design and test the operating effectiveness of key controls in place over adoptions from during April 2017 to June 2018.	Final report issued Q2 – no assurance
Gifts and Hospitality	The objective of this audit was to evaluate the control design and test the operating	Draft report issued Q2; final report

	effectiveness of key controls in place in respect of gifts and hospitality. The audit covered the period from April 2018 to August 2018.	expected October 2018.
IT Risk Diagnostic	The review will present a view of the maturity of controls in the following seven areas within the IT Audit Universe: IT strategy; IT governance; system quality; system support and change; IT operations; and information security.	Fieldwork in progress; report expected early Q3.
Everyone Active Contract Management	The objective of this audit is to evaluate the control design and test the operating effectiveness of key controls as at August 2018 in place relating to the contract management of Everyone Active.	Fieldwork in progress; report expected early Q3.
<b>Schools</b>		
Risk assessment of schools	Risk assessments of all schools in the borough to inform a risk-based approach to schools' audits.	Fieldwork complete, report being drafted; report expected Q3.
Schools follow up	Targeted follow up of previous schools' audit reported findings to inform the risk assessment. This is to focus on schools not audited for longer periods and with "limited assurance" ratings to be risk-based.	Fieldwork complete, report being drafted; report expected Q3.
Eastbrook	Audit of compliance with the Schools Financial Value Standards.	Final report issued Q2 – substantial assurance
Barking Abbey	Audit of compliance with the Schools Financial Value Standards.	Final report issued Q2 – reasonable assurance
Mayesbrook PRU	Audit of compliance with the Schools Financial Value Standards.	Fieldwork in progress; report expected October 2018

1.3. The audits planned for the remainder of 2018/19 are set out below. The plan details the following: draft audit title (and indicative timing) and draft audit objective:

<b>Audit title (timing)</b>	<b>Audit objective</b>
<b>Risk and compliance</b>	
Adoptions (Q3) [follow up]	Audit of the control design and operating effectiveness of key controls in place over adoptions from April 2018 to October 2018.
Homelessness Reduction (Q3)	Audit of compliance with the Homelessness Reduction Act 2017.

Commercial Waste Services (Q3)	Audit of control design and operating effectiveness of commercial waste collections.
Parking Income Collection (Q3)	Audit of the control design and operating effectiveness of the end-to-end parking income collection process from offence through to collection of income.
Governance (Q3)	Audit of the control design and operating effectiveness of the Council's governance, including governance of achievement of the stated outcomes for the Council's entities (all Reside companies, Be First, Trading Partnership and subsidiaries, School Improvement Partnership).
My Place Procurement and Contract Management (Q3)	Audit of the control design and operating effectiveness of My Place procurement contract management.
Direct Payments (Q3)	Audit of the control design and operating effectiveness of direct payments.
Parks and Grounds Maintenance (Q4)	Follow up of control design review undertaken in 2017/18; compliance testing of the operation of the controls implemented during April 2018 to July 2018.
Be First Procurement (Q4)	Audit of the control design and operating effectiveness of the Be First procurement process where Be First has undertaken procurement on behalf of the Council and compliance with the Council's procurement rules.
Private Sector Housing (Q4)	Audit of the control design and operating effectiveness of private sector housing controls including landlord registration and monitoring.
Fleet Management (Q4)	Audit of the control design and operating effectiveness of fleet management.
Liquidlogic System Implementation (Q4)	Audit of implementation of the Liquidlogic system in care and support children's and adults.
Elevate Contract (Q4)	Review of the Council's work preparing for the end of the Elevate contract.
Asset Management (Q4)	Audit of the control design and operating effectiveness of asset management, including maintaining the assets in the asset management database and using this data to drive compliance checks and expenditure.
Security of Corporate Buildings (Q4)	Follow up of 2017/18 "limited assurance" internal audit report.
<b>Schools</b>	
Schools Audits (Q2-4)	Audit of compliance with the Schools Financial Value Standards. Including: <ul style="list-style-type: none"> <li>• Marks Gate Infants – Q3</li> </ul>

	<ul style="list-style-type: none"><li>• Thomas Arnold – Q3</li><li>• Dorothy Barley – Q3</li></ul> <p><i>Remaining schools audit plan to be determined by the risk assessment.</i></p>
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**AUDIT AND STANDARDS COMMITTEE****16 January 2019**

<b>Title:</b> Counter Fraud Report Quarter 2 2018/19 (July-September 2018)	
<b>Report of the Monitoring Officer</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author</b> Kevin Key   Counter Fraud Manager	<b>Contact Details:</b> Tel: 020 8227 2850 E-mail: kevin.key@lbbd.gov.uk
<b>Accountable Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary:</b> This report brings together all aspects of counter fraud work undertaken to date during 2018/19. The report details progress to 30 September 2018	
<b>Recommendation:</b> The Audit and Standards Committee is asked to note the contents of the report.	
<b>Reason(s):</b> Assurance work helps to ensure good practice in corporate governance, risk management and internal controls all of which assist service areas in meeting their aims and the overall Council objectives.	

**1. Summary of counter fraud work undertaken for quarter 2 2018/19**

- 1.1 The tables below indicate the level of work completed in the two separate areas for which the team are responsible; Housing Investigation and Corporate Fraud.

**2. Corporate Fraud Activity including Whistleblowing**

- 2.1 The update on corporate fraud activity for Quarter 2 is set out below. The team receives many referrals throughout each quarter and will log and assess each case independently. A decision is then made as to what the best course of action is to deal with the referral. This means either the team will open an investigation, refer to another service block of the council or arrange for the matter to be referred to a specific manager for action.

2.2 2018/19 Quarter 2 Fraud referrals incl. whistleblowing

	17/18 Total	18/19 to date	Qtr 2
Cases Outstanding from last QTR			6
Referrals received in Period	301	149	71
Cases accepted for CFT investigation	18	13	9
No further Action after initial review/already known	195	12	8
Referred to other service block within LBBDD	195	124	54
DPA, FOI, and other information provided		50	32
Cases closed following investigation	19	6	5
<b>Ongoing Corporate Fraud Investigations:</b>			10

2.3 For 2018/19 the recording has been slightly modified to more accurately review each incoming referral. This has prevented double counting in some areas and made it clearer as to what action is being taken on every referral received by us.

2.4 The referrals received relate to the number of cases that are sent through to the Fraud email inbox or where contact is made direct with members of the team. All contact is logged and assessed accordingly. Bearing in mind the scope of potential fraud, many referrals are sent through in the belief that fraud has been committed, but following assessment, found to be incorrectly sent to us.

We receive requests that relate specifically to CCTV, Subject Access, Freedom of Information and Data Protection as well as referrals relating to Housing Benefits, Council Tax, Department for Work & Pensions, Complaints, Parking Enforcement, Housing services, noise nuisance, Housing Association properties, Planning, Private Sector Licencing, Police matters and Trading Standards. In short, if there is a possibility/mention of fraud we are likely to have received a referral either via email or phone.

2.5 Outcomes – Quarter 2 and yearly total 2017/18

	17/18 Total	18/19 to date	Qtr 2
Recommended for disciplinary process	0	0	0
Referred for Management action*	11	4	4
No fraud/No further action	13	2	1

\*includes 1 X case police are taking action – Uninsured vehicle displaying Blue Badge highlighted on Councillor walkabout.

### **3. Current / future key issues – Corporate**

- 3.1 The council were the victim of a mandate fraud in July linked to a police investigation that is currently ongoing. Mandate fraud is when someone gets you to change a direct debit, standing order or bank transfer mandate, by claiming to be an organisation you make regular payments to. This could be someone posing as a business supplier and can take place over the phone, by post or email. In this case an email account of a regular supplier was hijacked, and a new email account set up that was then used to correspond with officers within LBB. As soon as we were notified we worked closely with LBB's Financial Investigator and jointly arranged for the suspects bank account to be restrained. This allowed for the money that had been transferred to the fraudster to be blocked and prevented from being moved on. We are currently awaiting return of all the money that was taken through this fraud and totalled just over £16000.
- 3.2 A whistleblowing campaign has been arranged and is due to go live in November. This will include the laptop background being changed and posters being placed throughout our buildings.

### **4. Regulation of Investigatory Powers Act**

- 4.1 The Regulation of Investigatory Powers Act regulates surveillance powers, thus ensuring robust and transparent frameworks are in place to ensure its use only in justified circumstances. It is cited as best practice that Members maintain an oversight of RIPA usage.
- 4.2 The last inspection of RIPA was undertaken by the Office of Surveillance Commissioners in December 2016. The report was favourable, and all recommendations subsequently implemented. In September 2017 The Investigatory Powers Commissioner's Office took over responsibility for oversight of investigatory powers from the Interception of Communications Commissioner's Office (IOCCO), the Office of Surveillance Commissioners (OSC) and the Intelligence Services Commissioner (ISComm).
- 4.3 The current statistics are set out below following review of the central register, held by the Corporate Investigation Manager. As per previous guidelines, RIPA authority is restricted only to cases of suspected serious crime and requires approval by a Magistrate.

(a) Directed Surveillance

The number of directed surveillance authorisations granted during the Quarter July – September 2018 and the number in force at 30 September 2018

Nil granted. Nil in Force.

(b) Communications Information Requests

The number of authorisations for conduct to acquire communications data (e.g. mobile phone data) during the Quarter July – September 2018.

Nil granted. Nil in force.

- 4.4 We remain an authority that does not appear to make use of RIPA. Other councils make use them which leads to 2 conclusions for LBBB; we either fail to utilise the process at all or unauthorised surveillance is taking place where RIPA should be obtained. Staff across the council have previously been trained and advised on the use of RIPA and an expectation is in place that for any use of covert surveillance, RIPA should be considered.

## 5. Housing Investigations

- 5.1 Members are provided specific details on the outcomes from the work on Housing Investigations. For 2018/19, positive outcomes are set out below.

### 5.2 2018/19 Quarter 2 Housing Investigations

<b>Caseload</b>	17/18 Total	18/19 to date	Qtr 2
Open Cases brought forward from Q1			20
New Cases Added	256	103	63
Cases Completed	255	82	47
Open Cases			36

<b>On Going Cases - Legal Action</b>	Qtr 2
Notices Seeking Possession served	0
No of Cases - Recovery of property	4

<b>Outcomes - Closed Cases</b>	17/18	18/19 to date	Qtr 2
Convictions	1	0	0
Properties Recovered	12	7	3
Successions Prevented & RTB stopped/agreed	3	5	2
Savings (FTA, Single Person CTax, RTB, Decant)	£202262	£357295	£245100
Other Potential Fraud prevented/passed to appropriate service block incl Apps cancelled	160	39	22
Referral to others outside of LBBB	169	1	0
No further action required/insufficient evidence	N/A	30	20

- 5.3 In addition to the above other checks are routinely carried out and information provided to others. Below is an indication of the level of work undertaken.

	18/19 to date	Qtr 2
Data Protection Requests	35	17
Education Checks	132	66

(n.b education checks relate to assisting admissions in locating children or families to free up school places or confirm occupancy. Data Protection Requests are received from other local authorities, the police, and outside agencies and responses provided in accordance with GDPR)

## **6. Current / future key issues to be considered – Housing**

- 6.1 Both Housing Investigators have now completed the Accredited Counter Fraud Specialist course through CIPFA.
- 6.2 Verification training has been provided for the Right to Buy Team and Sales and Leasing Officers within My Place to provide guidance on what checks can be carried out to check the authenticity of documents provided to us for Right to Buy applications. Further, the teams have been loaned the portable ID Scan machine and are using this to verify all documentation provided by those wishing to purchase their property through the Right to Buy process.
- 6.3 Proactive Work continues with properties being visited that are due to be decanted. This is intended to continue through all phases and is resulting in specific addresses being identified where there are concerns over occupancy.

## **7. Financial Implications**

- 7.1 The Corporate Counter Fraud team was fully funded for 2018/19.

## **8. Legal Implications**

- 8.1 This has no legal implications.

## **9. Other Implications**

- 9.1 **Risk Management-** The corporate counter fraud activity is risk-based and therefore support effective risk management across the Council.
- 9.2 **No other implications to the report.**

## **10. Public Background Papers Used in the Preparation of the Report:**

None

- 11. **List of Appendices-** None

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## AUDIT AND STANDARDS COMMITTEE

16 January 2019

<b>Title:</b> Information Governance Annual Report	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
<b>Report Author:</b> Nick Lane, Head of Client Unit	<b>Contact Details:</b> Tel: 020 8227 2420 E-mail: <a href="mailto:nick.lane@lbbd.gov.uk">nick.lane@lbbd.gov.uk</a>
<b>Accountable Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary:</b>  In the year that saw the biggest changes in data protection law in 20 years coming into effect, this report provides an update on information governance issues within the Council. This report also sets out the work that has been completed in the past year.	
<b>Recommendation(s)</b>  The Committee is recommended to:  (i) Note the work that has been on-going to improve Information Governance within the Council. (ii) Note the planned actions for 2019/20.	
<b>Reason(s):</b>  To provide the Committee with an update on the Council's Information Governance work.	

### 1. Introduction and Background

- 1.1 This paper forms the annual report on information governance to the Audit and Standards Committee. Information Governance primarily focuses on the Council's obligations under the Freedom of Information Act, Local Authority Transparency Code and now the new General Data Protection Act and the Data Protection Act 2018.

### 2 Information Governance 2018 - overview

- 2.1 On 25<sup>th</sup> May 2018, the biggest change in data protection law in 20 years, the General Data Protection Regulation (GDPR), came into effect. The new regulation introduced a number of additional data rights for individuals and made changes to the subject access rules, for example, reducing the response time from 40 to 30 days. There was also a significant

increase in the amount that could be levied as a financial penalty in the case of a severe data breach.

2.2 In order to provide assurance to residents that the Council correctly and safely manages their data, and to ensure that the Council was as compliant as it could be with the new legislation, a GDPR work programme was established. The programme identified a number of improvements were required including:

- recording all data assets and data processing activities;
- revising privacy notices - these tell residents how the Council will process / use their data;
- implementing privacy impact assessments (a mandatory activity requiring staff to record their assessment of the personal data implications / risks of any new project);
- updating website guidance and
- training to staff and members.

2.3 A separate workstream to ensure better management of records – both paper and electronic - was identified and integrated into the Council's highly successful New Ways of Working programme.

2.4 In implementing the GDPR work programme, the Council has produced a series of nine new, or amended policies, designed to assure and advise citizens on how the Council processes their personal data. They also, critically, set out how they can apply their new data rights, such as:

- the right to be forgotten,
- the right to rectification,
- the right of erasure and
- the right to object to processing.

2.5 More detailed privacy notices are being developed to provide detailed insight for citizens on how the Council manages their data, on a service by service basis.

2.6 Resolving long standing records management issues have been a key deliverable of the New Ways of Working Programme, which has focused on the paper records and the structured and unstructured data held on computer drives that each staff member use in their daily work. This programme of work has identified over 2 km's of paper and to date has scrapped 1km of this and is developing a business case to scan or scrap the remainder. Appendix A provides a high level view of the action plan.

2.6 Following an audit of the Council in 2017 by the Office of the Information Commissioner (ICO), work has continued to implement the actions arising from the action plan sent to the Council in September 2017. This now has an expected completion date of April 2019.

### **3 Freedom of Information Requests (Fol)**

3.1 The Council continues to see an increase in the number of FOI requests received. A large proportion of these come from press and media organisations and supplier organisations and the Council cannot levy a charge for responding to requests.



- 3.2 The ICO expects public authorities to be responding to at least 90% of FOI requests within the mandatory 20 working days. The Council's current compliance rate is around 78%, however, we are confident that working with departments we can reach and maintain the target within 6 months.
- 3.3 In mid-2018, the Council began to publish all FOI responses on the Council's website in line with ICO requirements, at: [www.lbbd.gov.uk/freedom-of-information](http://www.lbbd.gov.uk/freedom-of-information), this means that requesters can see if we have already answered a query that they may have and in so doing prevent a further request being submitted.
- 3.4 Fol Requests received:
- In **2016/17** the Council received **1478** requests
  - In **2017/18** the Council received **1594** requests
- 3.5 Requests responded to within the 20 day deadline:
- In **2016/17** the Council responded to **48%** of requests within the deadline
  - In **2017/18** the Council responded to **93%** of requests within the deadline
  - 1<sup>st</sup> April 2018 to 30<sup>th</sup> October 2018 the Council responded to **78%** of requests within the deadline

#### 4 Subject Access Requests

- 4.1 The Council received 388 Data Protection Act Subject Access requests for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, of which 89% were answered within the 40 day deadline. A subject access request is when an individual requests data about them, held by the council. Answering a request can take up a considerable amount of staff time in collating and then redacting personal information (of third parties) in documents held by the Council; it is not untypical to have to redact data from files containing several thousand pages before they are safe to release to the requester.
- 4.2 For the period 1<sup>st</sup> April 2018 to 30<sup>th</sup> September 2018 the Council received 195 Data Protection Subject Access requests. This represents an increase in requests of around 15% on the same period last year and of these requests 71% were responded to within the new 30 day deadline. We believe that the increase in requests is due to the GDPR changes which removed the £10 fee and raised public awareness of data subject rights.

#### 5. Data breaches

- 5.1 Information data breaches continue to be reported and investigated internally to ensure that lessons are learnt and the likelihood of breaches is reduced and arising risks are mitigated. The latest information on data breach incidents is shown in the table below, whilst these cases are regrettable, they are generally too minor in nature to attract any enforcement action from the ICO:

Category	Jan- Dec 2016	Jan-Dec 2017	Jan – June 2018
Computer / laptop stolen / lost	0	0	0
Confidential information disclosure	1	3	5
Papers left on printer or in public area / lost	1	3	1

RSA token lost / stolen	0	0	0
Unsecure email or scan sent / incorrect recipient	2	5	11
Improper storage of information	0	2	9
Information sent to 3rd Party	6	12	8
Other	0	7	3
<b>Totals</b>	<b>10</b>	<b>30</b>	<b>37</b>

- 5.2 The levels of reported breaches have shown a noticeable increase. We believe this is because of greater awareness of the need to report even minor breaches, in part as a result of the annual data protection training which is mandatory for staff. Critical breaches still occur, on average, about twice a year and it is these that are the main focus of our prevention / management activity. One critical case was self-reported to the Office of the Information Commissioner (ICO) in 2016, none in 2017 and 4 in 2018. In all cases the ICO felt that the council took sufficient steps to mitigate, and accordingly no further action was taken.
- 5.3 The detail of each critical breach is discussed at Assurance Group to identify issues, trends and mitigations that need to be addressed.

## 6. Work plan review for 2018

2018 workplan activities	Current Status	Future Planning
Assurance Group	A standing item of Report of the SIRO is on every agenda.	The Board will continue to meet monthly and promote good working practices and support information governance matters.
Develop, implement and recruit to the role of Information Governance Manager	The post was created, and the successful applicant took up the post on 29 October 2018 after the previous incumbent left in June 2018.	Responsibilities include: <ul style="list-style-type: none"> <li>• Continue the work of implementing the new GDPR requirements</li> <li>• Review and improve performance regarding all matters relating to information compliance (FOI, SAR)</li> <li>• Provide advice, training and support to staff and managers regarding</li> </ul>

		information governance matters <ul style="list-style-type: none"> <li>• Produce and implement a number of policies to support information governance</li> <li>• Support work on the ICO audit</li> </ul>
Information Commissioners Audit	Action plan revised in July 2018	Compliance to be achieved by April 2019
Implement GDPR and New Ways of Working (NWoW) initiatives	Work on unstructured data underway	All data and information assets to be handled and processed in line with NWoW guidelines

## 7 Work plan priorities for 2018/19 and into 2019/20

### 7.1 Priorities will be:

- a review of FOI handling and responses to improve performance to 90% and to maintain the Council's performance.
- complete London benchmarking and aligning our performance to the London level for Subject Access Requests
- records management training for asset owners and addressing any gaps identified in data processing within departments
- updated information transparency data on the website: [www.lbbd.gov.uk/publication-scheme](http://www.lbbd.gov.uk/publication-scheme)
- Data Protection Impact Assessments to be initiated for all new project activity
- a review of all processing activities that rely on consent as the legal basis for processing, eg: Borough newsletter etc.
- creating an audit process to provide assurance within departments that policies and procedures are being complied with

### Background Papers Used in the Preparation of the Report:

None

### List of appendices:

Appendix A – summary of the GDPR action plan

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# Integrated Plan



<b>Project Name</b>	GDPR & Records Management
<b>Project Manager</b>	Andrew Walkinshaw

	Owner	Start Date	End Date	Planned Days	Days Completed	Days Remaining	% Completed	RAG
<b>GDPR AWARENESS &amp; READINESS</b>								
Identification of Information Asset Owners								
Information Asset Register								
Hard Copy/Paper Files						0		
Unstructured Data								
<b>GDPR POLICY AND IMPACT ASSESSMENTS</b>								
LAWFULNESS OF PROCESSING								
REVIEW & UPDATE CONSENT PROCEDURES								
SENSITIVE DATA AND LAWFUL PROCESSING								
SUBJECT ACCESS, RECTIFICATION AND PORTABILITY								
RIGHT TO ERASURE AND RIGHT TO RESTRICTION OF PROCESSING								
DATA GOVERNANCE OBLIGATIONS								
PERSONAL DATA BREACHES AND NOTIFICATION								
TRANSFERS OF PERSONAL DATA								
CONTRACTORS REMIDIES AND LIABILITIES								
ADMINISTRATIVE FINES FOR DATA BREACHES								
VALIDATION OF 3RD PARTY SUPPLIER APPLICATIONS FOR GDPR COMPLIANCE						0		

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## AUDIT AND STANDARDS COMMITTEE

16 January 2019

<b>Title: Complaints Against Members Update</b>	
<b>Report of the Monitoring Officer</b>	
<b>Open Report</b>	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Dr. Paul Feild Senior Governance Lawyer	<b>Contact Details:</b> Tel: 0208 227 2638 E-mail: <a href="mailto:paul.feild@lbbd.gov.uk">paul.feild@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b>	<b>Fiona Taylor, Monitoring Officer and Director of Law and Governance</b>
<b>Accountable Director:</b>	<b>Chris Naylor, Chief Executive</b>
<p><b>Summary:</b></p> <p>This report is to provide the Audit and Standards Committee with an update of complaints against Members of the Council, their current status, outcome and actions taken.</p> <p>On 1 July 2012 the Assembly adopted, as required by the Localism Act 2011, a new local Code of Conduct and Complaint Procedure. As the Code approached a year in existence, the Standards Committee reviewed the structure and drafting of it so as to make improvements in composition and simplify it where possible.</p> <p>The re-drafted Code was adopted by Assembly on 17th July 2013.</p> <p>In accordance with the Code, the Monitoring Officer conducts an initial assessment of complaints about Members of the Council against approved criteria and may consult with the Independent Person and try to resolve matters informally if possible or appropriate. If the complaint requires further investigation or referral to the Audit and Standards Committee there may still be a hearing of a complaint before its Sub-Committee.</p> <p>Since reporting to the July 2018 Audit and Standards Committee, there have been 2 Complaints received by the Monitoring Officer. Both were dismissed at the first stage by the Monitoring Officer by reason of no evidence of a breach.</p>	
<b>Recommendation(s)</b>	
The Audit and Standards Committee is recommended to note the report.	

**Reason(s)**

For continued good governance and to ensure that the Audit and Standards Committee is aware of complaints against Members of the Council.

**1. Options Appraisal**

1.1 This report is for information only.

**2. Consultation**

2.1 This report is for information only.

**3. Financial Implications**

3.1 There are no financial implications associated with this report.

**4. Legal Implications**

*Implications completed by: Dr. Paul Field, Senior Governance Lawyer*

4.1 It is a legal requirement that the Council promotes and maintains high standards of conduct by Members and Co-opted Members of the authority. The Audit and Standards Committee contributes to this duty by receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Code of Conduct for Members. Additionally, the Committee advises on training of Members on matters relating to the Code as well as receiving referrals from the Monitoring Officer into allegations of misconduct in accordance with the authority's assessment criteria.

4.2 This report furthers those objectives by providing timely updates to the Standards Committee with regard to the operation of the Code of Conduct.

**Background Papers Used in the Preparation of the Report:**

- Council Constitution

**List of appendices: Appendix A**



**Member Complaints – Monitoring Officer’s Rolling Record**

<b>Ref:</b>	<b>Receipt of Complaint</b>	<b>Member</b>	<b>Complainant</b>	<b>Complaint (Nature)</b>	<b>Investigation</b>	<b>Standards Hearing</b>	<b>Outcome</b>	<b>Status (Open/ closed)</b>
<b>MC 1/18</b>	9 May	Single Member	Public (Two members of)	Allegation of breach of the Code of Conduct (Register of Interests)	<b>Investigation LBBD Officer</b>	<b>yes</b>	Referred to Standards Sub-Committee Complaint upheld reported to Assembly on 21 November	Closed
<b>MC 2/18</b>	16 May	Single Member	Officer	Allegation of breach of the Code of Conduct ( Members Officers Protocol)	<b>Investigation LBBD Officer</b>	<b>No</b>	Report submitted to MO. MO met with Member to discuss concerns and gave advice on Member and employees respective roles.	Closed
<b>MC 5/18</b>	19 July	Single Member	Public	Allegation of breach of the Code of Conduct ( Not Responding to e-mails)	<b>Investigation LBBD Officer</b>	<b>No</b>	Member had referred the matter to officers and so advised complainant – persistent complainer complaint dismissed.	closed
<b>MC 7/18</b>	7 Oct	Single Member	Public	Allegation of breach of the Code of Conduct (Register of Interests)	<b>Investigation LBBD Officer</b>	<b>No</b>	Member had fully complied – no grounds for complaint	Closed

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**AUDIT AND STANDARDS COMMITTEE  
16 JANUARY 2019**

<b>Title: Review of Gifts and Hospitality Registers</b>	
<b>Report of: The Monitoring Officer</b>	
<b>Open</b>	<b>For Information</b>
<b>Wards Affected: None</b>	<b>Key Decision: No</b>
<b>Report Author: Dr. Paul Feild, Senior Governance Lawyer</b>	<b>Contact Details: Tel: 020 227 3133 E-mail: <a href="mailto:paul.feild@BDTlegal.org.uk">paul.feild@BDTlegal.org.uk</a></b>
<b>Accountable Divisional Director: Fiona Taylor, Monitoring Officer and Director of Law &amp; Governance</b>	
<b>Accountable Director:</b>	<b>Chris Naylor, Chief Executive</b>
<b>Summary:</b>	
This report provides the information on registrations of gifts and hospitality received by Councillors and Officers, to enable a periodic review of the same and to consider any comments or observations considered appropriate in this regard.	
<b>Recommendation(s)</b>	
That the declarations of Gifts and Hospitality by Members and Officers of the Council set out in the Appendix B and the review of the Registers be noted.	
<b>Reason(s)</b>	
To provide a periodic review of the Gifts and Hospitality Registers, and to highlight that systems are in place to ensure Members and officers are aware of the need to inform the Monitoring Officer and complete the forms to register any gifts and hospitality or other benefits received where the value of the item or benefit exceeds an amount of £50.	

## **1. Introduction and Background**

- 1.1 Under the Members' and Employees' Codes of Conduct, Councillors and Officers are required to register any gifts, hospitality or other benefits received where the value of the item or benefit exceeds an amount of £50.
- 1.2 The Audit and Standards Committee's terms of reference include the role of advising on the contents of and requirements for codes / protocols / other

procedures relating to standards of conduct throughout the Council and implementation.

## **2. Proposal and Issues**

2.1 The Members Code of Conduct and the Officer Code of Conduct are contained in the Council Constitution and the key extracts are attached to this report as **Appendix A**. These Rules set out clearly the requirement to declare hospitality and gifts given and received.

2.2 Details of gifts and hospitality received and given by councillors over a rolling period of twelve months are recorded on each individual Member's record on Modern Gov and can be accessed at any time under the respective page for each councillor on the Council's website.

The entries on Modern Gov are cross referenced to a schedule in the paper register which records the total number of declarations made and by whom.

2.3 Electronic recording of gifts and hospitality for officers are in a different format and also in place and there continues to be officer contacts in each department.

2.4 Members' Services hold and maintain the registers on behalf of the Monitoring Officer. Set out in **Appendix B** are the print runs setting out all the gifts and hospitality that were registered by Members since the May 2018 elections and the same in **Appendix C** for officers (from January 2017) to 31 November 2018.

2.5 Checks are carried out periodically of the information contained in the registers.

2.6 As will be seen from Appendixes B and C, there have been eight declarations of gifts and hospitality for Councillors and twenty-three declarations of gifts and hospitality for Officers.

### Analysis

2.7 In keeping with previous reports most of the declarations for both Members and officers relate to hospitality rather than gifts.

2.8 For Members all the declarations were related to hospitality consisted of celebratory dining, fact-finding trips and a sporting event.

2.9 The twenty-three entries by officers, are for a longer period than Members. Seven were mainly gifts below the obligatory threshold value £50 except for one a hamper estimated to be valued at £200 which was put into a raffle. The rest related to hospitality and principally tickets to awards dinners of which Penna, a recruitment consultancy agency paid for three dinners over the period. There were two international trips paid for officer speakers of £280 (Germany) and £1,000 (Canada).

2.10 In summary the entries are compliant with the Councils rules. Councillors and officers are reminded bi-annually, including prior to the festive season, of the rules around gifts and hospitality by the Monitoring Officer.

### **3. Options Appraisal**

3.1 None

### **4. Consultation**

4.1 None

### **5. Financial Implications - None**

### **6. Legal Implications**

*Implications completed by: Suzan Yildiz Deputy Head of Legal Services*  
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6.1 The Monitoring Officer of the authority has a statutory duty under the Localism Act 2011 to establish and maintain a public register of Councillors' interests. The Register of Gifts and Hospitality for Members is an important instrument of openness and good governance. It provides an accessible record of the gifts and hospitality received by Members. Monitoring and review of the register helps to contribute to better corporate governance which underpins the delivery of high-quality services.

6.2 The Constitution and the Members Code of Conduct requires Members to register any gifts and hospitality or other benefits received where the value of the item or benefit exceeds an amount of £50 where they have been received in connection with their official duties as a member and the source of the gift or hospitality. A mirror provision applies to officers. The names of individual service users who made gifts and non-chief officers have been redacted in accordance with Section 40(2) of the Freedom of Information Act 2000.

6.3 The gift or hospitality must be registered within 28 days of receiving it. The obligation to disclose continues for three years.

### **7. Other Implications**

7.1 **Risk Management - None**

7.2 **Contractual Issues - None**

7.3 **Staffing Issues – None other than stated within the report.**

7.4 **Customer Impact - None**

- 7.5 **Safeguarding Children** - None
- 7.6 **Health Issues** - None
- 7.7 **Crime and Disorder Issues** - None
- 7.8 **Property / Asset Issues – None**

**Background Papers Used in the Preparation of the Report:**

The Councils Constitution

**List of appendices:**

Appendix A - Extracts from Council Constitution Part five Chapter One and Chapter Four: Members Code of Conduct Para 13 and Employees Code of Conduct Para's 10,13 &14 – Gifts and Hospitality

Appendix B – Register of Gifts and Hospitalities- Members Post May Election 2018 to 31 November 2018

Appendix C - Register of Gifts and Hospitalities- Officers January 2017 to 31 November 2018

## Appendix A

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### Extracts from the Constitution on Gifts and Hospitality

#### Members *LBBB Constitution Part 5, Chapter 1 - Councillors' Code of Conduct*

##### **13 Gifts and Hospitality**

13.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with an actual or estimated value of £50 or more which you have accepted as a Councillor from any person or body other than the Council.

13.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.

#### Officers - *LBBB Constitution Part 5, Chapter 4 – Employee Code of Conduct*

##### **10. Bribery Act 2010**

10.1 It is a serious criminal offence for employees corruptly to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in their official capacity. If such an allegation is made it is for the employee to demonstrate that any such rewards have not been corruptly obtained.

AND

##### **13. Hospitality**

13.1 Employees should only accept offers of hospitality if there is a genuine need to impart information or represent the Council at a particular event.

13.2 Offers to attend purely social or sporting functions must be accepted only when they are for the benefit of the Council or in connection with a civic or courtesy visit.

13.3 All gifts and hospitality offered, whether accepted or not, with a value of £50 or more must be recorded in a register of gifts and hospitality. For officers at or above the level of team manager, a register is maintained by the monitoring officer. For all other officers a register is kept by the relevant Director.

13.4 When hospitality has to be declined, those making the offer must be

courteously but firmly informed of the procedures and standards operating within the Council.

13.5 Employees must not solicit or accept personal gifts, other than ones of a token value such as pens and diaries. Any firm or individual who wishes to make a gesture of goodwill to the Council or its officers should be redirected to the Mayor's Charity Fund.

13.6 When receiving authorised gifts or hospitality employees must be particularly sensitive to timing in relation to any decisions which the Authority may be taking in connection with those providing the gift or hospitality. Hospitality which may compromise an officer's impartiality or have the perception of doing so must be declined.

13.7 Acceptance of hospitality at conferences and courses is acceptable where (i) it is clear that the hospitality is corporate rather than personal, (ii) the employee's manager gives consent in advance, and (iii) the employee's manager is satisfied that any purchasing decisions are not compromised.

13.8 Where authorised visits are required to inspect equipment, meet with prospective service providers etc, officers must ensure that the Council meets the cost of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.

#### **14. Sponsorship**

14.1 Where an outside organisation wishes to sponsor a Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

14.2 Where the Council wishes to sponsor an event or service neither an employee nor any partner, spouse or relative must benefit from such sponsorship in a direct way without there being full disclosure to an appropriate manager of any such interest.

14.3 Similarly, where the Council, through sponsorship, grant aid, financial or other means, gives support in the community, employees must ensure that impartial advice is given and that there is no conflict of interest.



**Appendix B – Register of Gifts and Hospitalities- Members  
Post May Election 2018 to 31 November 2018**

<b>Member</b>	<b>Date</b>	<b>Hospitality/ Gift Description</b>	<b>Donor</b>	<b>Value</b>
<b>Councillor Ashraf</b>	25/10/2018	Attendance at International Workshop. Challenges of a Digital City for disadvantaged neighbourhoods corporate Hospitality including flights, accommodation & evening meal	offered by VHW - Federal Association for Housing and Urban Development	£310
<b>Councillor Carpenter</b>	20/09/2018	Attendance and hospitality at Sunday Times British Homes 2018 Awards at Marriott Hotel, Grosvenor Square Invited as Mitchell Close in Becontree Ward was shortlisted for the 'Housing in Crisis Solution	Be First and Jerram Falkus Construction Ltd	<b>£300</b>
<b>Councillor Haroon</b>	26/07/2018	Essex v India Hospitality ticket	Essex County Cricket Club	£119
	20/09/2018	LAPF Investment Awards 2018 Complementary Dinner in connection with award ceremony	LAPF	<b>£100</b>
	15/10/2018	7th CEFTUS Gala Dinner	Ibrahim Dogus - Director friend	<b>£100</b>
<b>Councillor Rodwell</b>	18/10/2018	David Bailey Book Launch and dinner	Camera Eye Ltd	<b>£55</b>
	04/10/2018	Policy and Resources Committee Dinner	City of London Corporation	<b>£56</b>
	25/08/2018	- Now That's A Festival - Central Park, Dagenham; 10 complimentary VIP tickets	ADS Events	<b>£850</b>

Appendix C - Register of Gifts and Hospitalities- Officers  
**January 2017 to 31 November 2018**

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Print run of Officers Declarations of Gifts and Hospitality

Employee	Line Manager	Gift or Hospitality	Date Received	Estimated Financial Value	Purpose of Gift or Hospitality	Comments	Method of Disposal of Gift or Hospitality	Service Block	Supplied By
Naylor Chris	Taylor Fiona	Gift	09/02/2017	£ 50.00	The London and South East Chief Executive Networking Dinner		Dinner	Chief Executive	Penna
Naylor Chris	Taylor Fiona	Gift	23/02/2017	£ 50.00	LGC Awards Dinner		Dinner	Chief Executive	EMAP
Children's Services Officer*	Children's Services Management	Gift	06/04/2017	£ 10.00	The battery operated candle set was given to myself an expression of thanks for what this Grandmother had learnt through attending the 11 week parenting programme at the Children's Centre.	See Purpose of Gift section above.		Children's Services	Grandmother who attended the Parenting Programme
Naylor Chris	Taylor Fiona	Gift	29/06/2017	£ 50.00	Local Government Board Dinner		Dinner	Chief Executive	Odgers Berndtson
Symonds Claire	Naylor Chris	Hospitality	13/07/2017	£ 100.00	CIPFA Conference		Dinner	Customer, Commercial and Service Delivery	Socetim Consulting
Naylor Chris	Taylor Fiona	Gift	07/11/2017	£ 50.00	LGIU Councillor Achievement Awards Dinner		Dinner	Chief Executive	LGIU
Children's Services Officer*	Children's Services Management	Gift	05/12/2017	£ 3.00	Roses 200g box of chocolates given as at the end of the 11 week parenting programme.		Given face to face.	Children's Services	Client
Customer, Commercial and Service Delivery Officer*	Customer, Commercial and Service Delivery Management	Hospitality	08/12/2017	£ 65.00	Christmas Celebrations/Event - Meal & Drinks		N/A	Customer, Commercial and Service Delivery	Elevate East London
Adult and Community Services Officer*	Adults and Community Services Management	Gift	11/12/2017	£ 200.00	Company has given the EIT team the following Chocolate Hampers x 8 Wine x 10 .	Gifts were addressed to the whole team and not individuals. The raffle was open to all staff members that are based in Stour Road	Raffle of goods and proceeds to be donated to the food bank	Adults and Community Services	24/7 Healthcare LTD
Children's Services Officer*	Children's Services Management	Gift	18/12/2017	£ 15.00	Christmas Present	The Manager informed the employee that since this gift is under the value of £50, they were allowed to keep it. The employee was notified once the gift was received.		Children's Services	Family
Hook Tom	Naylor Chris	Gift	19/12/2017	£ 25.00	Christmas gifts.		Distributed to teams within P&P.	Policy and Participation	Somali Women's Association
Children's Services Officer*	Children's Services Management	Gift	20/12/2017	£ 50.00	Chocolates as a christmas gift		Put in the staff room for all staff to share	Children's Services	Good Impressions
Adult and Community Services Officer*	Adults and Community Services Management	Gift	22/12/2017	£ 5.00	Small seasonal Christmas gift.	A relative of a service user gave a small Christmas gift of bubble bath which was accepted so as not to give offence.	Accepted so as not to give offence.	Adults and Community Services	Relatives of Service User RL
Naylor Chris	Taylor Fiona	Gift	21/03/2018	£ 80.00	LGC Awards Dinner		Dinner	Chief Executive	Penna
Children's Services Officer*	Children's Services Management	Gift	28/03/2018	£ 1.50	Hyacinth plant and pastel drawing (drawn by the client's mother) given at the last home visit as a token of the client's appreciation for the support provided.		Accepted.	Children's Services	Relative of client of Children's Services
Symonds Claire	Naylor Chris	Hospitality	19/04/2018	£ 100.00	Awards dinner			Chief Operating Officer	One Source
Customer, Commercial and Service Delivery Officer*	Customer, Commercial and Service Delivery Management	Gift	24/04/2018	£ 50.00	Appreciation of being re-housed.	Clients of Housing Services gave a gift bag containing a gift card to the value of £50. Due to the client's culture, it would be considered to be inappropriate to refuse their kind gesture.	Gift card	Customer, Commercial and Service Delivery	-G18
Children's Services Officer*	Children's Services Management	Gift	01/05/2018	£ 20.00	Leaving thank you gift	A bag was left for the employee with a card and a gift card as the employee was leaving the authority.		Children's Services	Parent
Naylor Chris	Taylor Fiona	Gift	06/06/2018	£ 50.00	Local Government Chief Executive Dinner		Dinner	Chief Executive	Penna
Naylor Chris	Taylor Fiona	Gift	09/07/2018	£ 50.00	Odgers Interim & Berwick Partners Local Government Board Dinner		Dinner	Chief Executive	Odgers Interim & Berwick Partners

Adults Care and Support (Operational) Officer*	Adults Care and Support (Operational) Management	Gift	17/07/2018	£	20.00	An employee left Barking and Dagenham in July 2018 after more than 10 years working for the borough. A service user insisted to give a gift to the employee on the last day. The employee accepted the gift so that the client did not get offended by refusal. The client put a lot of effort in selecting this gift and was very happy to present it to the employee. The gift was a stainless steel handle	will donate to charity.	Adults Care and Support (Operational)	Service user
Policy and Participation Officer*	Policy and Participation Management	Hospitality	24/10/2018	£	280.00	Flights and hotel to attend a conference speaking at: Challenges for a digital city for disadvantaged neighbourhoods	3 day Conference (24th-26th October) for 25 individuals/organisations from across Western Europe to come together and share good practice as a learning conference. Flight paid for and hotel booked by VHW	Policy and Participation	VHW - federal association for housing and urban development, a not-for-profit organisation based in Berlin and Cologne.
Hook Tom	Naylor Chris	Hospitality	06/11/2018	£	1,000.00	Evergreen asked for Tom to speak at their conference in Toronto Canada and have advised that they will cover costs up to the value of \$1000 CAD for flights and accomodation.		Policy and Participation	Evergreen

\* As non-senior or Chief Officers names are redacted in accordance with S.40(2) Freedom of Information Act 2000.

**Audit and Standards Work Programme 2018/19**

**Chair: Councillor Josie Channer**

<b>Meeting</b>	<b>Agenda Item</b>	<b>Officer</b>	<b>Final Papers deadline</b>	<b>Publication Date</b>	<b>Relevant Cabinet Member- Cllr Twomey</b>
<b>3 April 2019</b> 19:00 Town Hall, Barking	<ol style="list-style-type: none"><li>1. Internal Audit Charter, Audit Strategy 2019/20 onwards and Audit Plan 2019/20</li><li>2. Certification of Grants and Claims</li><li>3. Risk Management Framework (end of Year report)</li></ol>	Rachel Paddon  BDO  Head of Assurance	<b>21 March 2019</b>	<b>26 March 2019</b>	

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