Notice of Meeting

AUDIT AND STANDARDS COMMITTEE

Monday, 16 November 2020 - 6:00 pm
Meeting to be held virtually

Members: Cllr Princess Bright (Chair), Cllr Adegboyega Oluwole (Deputy Chair), Cllr Simon Bremner, Cllr Josie Channer, Cllr Irma Freeborn, Cllr Kashif Haroon, Cllr Mohammed Khan and Cllr Emily Rodwell

Independent Advisor: Stephen Warren

By Invitation: Cllr Dominic Twomey

Date of publication: 6 November 2020

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Please note that this meeting will be webcast, which is a transmission of audio and video over the internet.

To view the webcast click here and select the relevant meeting (the weblink will be available at least 24-hours before the meeting).

AGENDA

1. Apologies for Absence

2. Declarations of Interest

3. Minutes - To confirm as correct the minutes of the meetings held on 21 September 2020 (Pages 3 - 7)

4. Annual Governance Statement (Pages 9 - 38)

5. Internal Audit Report 2020/21 - Quarter 1 and Quarter 2 (Pages 39 - 52)

7. Corporate Risk Register Update (Pages 59 - 65)

8. Counter Fraud Policies & Strategy 2020 (Pages 67 - 152)

9. Standards Complaints Update (Pages 153 - 155)

10. Work Programme 2020/21 (Page 157)

11. Any other public items which the Chair decides are urgent

12. 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.**

13. 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

Participation and Engagement

• To collaboratively build the foundations, platforms and networks that enable greater participation by:
  o Building capacity in and with the social sector to improve cross-sector collaboration
  o Developing opportunities to meaningfully participate across the Borough to improve individual agency and social networks
  o Facilitating democratic participation to create a more engaged, trusted and responsive democracy
• To design relational practices into the Council’s activity and to focus that activity on the root causes of poverty and deprivation by:
  o Embedding our participatory principles across the Council’s activity
  o Focusing our participatory activity on some of the root causes of poverty

Prevention, Independence and Resilience

• Working together with partners to deliver improved outcomes for children, families and adults
• Providing safe, innovative, strength-based and sustainable practice in all preventative and statutory services
• Every child gets the best start in life
• All children can attend and achieve in inclusive, good quality local schools
• More young people are supported to achieve success in adulthood through higher, further education and access to employment
• More children and young people in care find permanent, safe and stable homes
• All care leavers can access a good, enhanced local offer that meets their health, education, housing and employment needs
• Young people and vulnerable adults are safeguarded in the context of their families, peers, schools and communities
• Our children, young people, and their communities' benefit from a whole systems approach to tackling the impact of knife crime
• Zero tolerance to domestic abuse drives local action that tackles underlying causes, challenges perpetrators and empowers survivors
• All residents with a disability can access from birth, transition to, and in adulthood support that is seamless, personalised and enables them to thrive and contribute to their communities. Families with children who have Special Educational Needs or Disabilities (SEND) can access a good local offer in their communities that enables them independence and to live their lives to the full
• Children, young people and adults can better access social, emotional and mental wellbeing support - including loneliness reduction - in their communities
• All vulnerable adults are supported to access good quality, sustainable care that enables safety, independence, choice and control
• All vulnerable older people can access timely, purposeful integrated care in their communities that helps keep them safe and independent for longer, and in their own homes
• Effective use of public health interventions to reduce health inequalities

Inclusive Growth

• Homes: For local people and other working Londoners
• Jobs: A thriving and inclusive local economy
• Places: Aspirational and resilient places
• Environment: Becoming the green capital of the capital

Well Run Organisation

• Delivers value for money for the taxpayer
• Employs capable and values-driven staff, demonstrating excellent people management
• Enables democratic participation, works relationally and is transparent
• Puts the customer at the heart of what it does
• Is equipped and has the capability to deliver its vision
34. Declarations of Interest

There were no declarations of interest.

35. Minutes - (27 July 2020)

The minutes of the meeting held on 27 July 2020 were confirmed as correct.


The Council’s Chief Accountant introduced a report on the Statement of Accounts 2018/19 and the associated ISA260 Report from the Council’s external auditor, BDO. He regretted that Appendix 5 of the report, the Group Accounts for 2018/19, which was marked as ‘to follow’, was not provided to the Committee, as changes were still being made to these accounts. He assured the Committee however, that BDO had almost completed their work on these accounts, which would soon be subject to their internal review.

The Chief Accountant explained that any significant adjustments made to the Statement of Accounts since the Committee received the draft version in July 2019, had been highlighted in yellow to enable Members to compare and note the changes made.

BDO’s Senior Manager provided an overview of the ISA260 report, highlighting that:

- Testing work relating to the single entity accounts was now almost complete; and
- The net value of uncorrected misstatements identified during the audit was £422k in the Comprehensive Income and Expenditure Statement and £422k in the Balance Sheet, which was below the materiality tolerance of £11m for the single entity accounts.

BDO’s Assistant Manager provided an update on the audit of the group accounts, since the last meeting, stating that:

- BDO was unable to support some of the values being used in the version that was being reviewed at the time of the last meeting; however, these had
Some of the consolidation adjustments which were identified as incorrect had now been corrected;

There were some errors in material intergroup loans in 2017/18 values that had now been corrected;

The position now was that BDO considered the group accounts to be materially accurate, and they were now subject to senior review; and

The next key piece of work in relation to the group accounts was to conclude the review on post balance sheet events.

The Chair expressed her significant disappointment in relation to the following issues, with regards to the Statement of Accounts:

- Despite all the assurances given at the previous meeting, the Committee still had not been presented with a complete set of accounts and a complete ISA260 report;
- There was no effective communication with her in advance of the papers being circulated and the meeting itself, about the delay in finalising the Statement of Accounts and the reasons for it; and
- The ISA260 report, in respect of the pension fund, was not provided until requested, and was only received this morning via email circulation.

Members concurred with the Chair’s comments and asked what the reasons were for the further delay in presenting a final Statement of Accounts. They urged Council officers and BDO not to procrastinate and do everything necessary to conclude the audit of the 2018/19 accounts, so that the impact on the audit of the 2019/20 accounts could be minimised.

The Council’s Finance Director stated that much hard work had gone on to get the audit to the current position. Whilst he understood and shared the Committee’s frustration at not having a finalised Statement of Accounts, he noted that the vast majority of information relating to these accounts had been provided to the Committee. He clarified that the delays in completing the audit were not down to staff working from home due to the pandemic; in fact, the technology available to work virtually had made some aspects of the audit work easier. He assured the Committee that the audit was almost complete and that it was likely that the Statement of Accounts would be in the position to be signed off in a couple of weeks’ time. Whilst working on the 2018/19 accounts, officers had also been working on preparing the 2019/20 statements, which had been published on to the Council’s website on 31 August 2020 as draft, in accordance with the timetable agreed by the Government. Whilst preparing the 2019/20 accounts, officers had reflected on the lessons learnt as part of the audit of the 2018/19 accounts and were confident that the next audit would go more smoothly.

The BDO Partner agreed that it was unfortunate that a finalised Statement of Accounts had not been provided to the Committee; however, she assured Members that it was not uncommon for Audit Committees to receive a Statement of Accounts that was subject to some further clearance work, near the end of an audit. She was confident that she would be in a position to sign the audit opinion by the end of this month. BDO and Council officers had not been procrastinating; the delay behind the audit of the group accounts was due to their sheer complexity, as explained at previous meetings. Going forward, it was expected that with the 2018/19 accounts audit process serving as good experience, this area of
the audit would be smoother. She acknowledged that the Chair of the Committee should have been kept informed of the issues arising in relation to the group accounts leading up to the publication of the agenda papers for this meeting and was sorry that this had not occurred. With regards to the Chair’s comments around the Pension Fund, the Audit Completion Report in that respect provided to the Committee at its meeting in July 2019 was complete at that time, and no further audit work had been undertaken on the Pension Fund since then.

The Chief Accountant apologised for the omission of the Pension Fund report and assured the Committee that in future, the full set of accounts would be provided to the Committee in advance of approval being sought.

The Chief Accountant provided further context to the delay in finalising the group accounts. The group accounts were extremely complicated and BDO were the Council’s new auditors, which meant that they had to start from scratch; whilst this was good in the sense that it would provide assurance as to the accuracy of the accounts, it also meant that BDO had to look into the prior year’s accounts for comparison. The work involved in this process was akin to producing two years’ group accounts in one go and was in addition to the work required to prepare the accounts for 10 of the Council’s subsidiaries.

The Chair asked why the difficulties faced in the 2018/19 audit of accounts were not reflected in draft Annual Governance Statement for 2018/19. The Council’s Head of Assurance stated that the drawn-out nature of the 2018/19 accounts meant that the issues around financial governance to have arisen during this audit, would appear on the 2019/20 Annual Governance Statement. The BDO Partner stated that she felt it was important that the issues that arose as part of the audit of the 2018/19 accounts should be reflected in the Annual Governance Statement for the same year, as the ISA265 letter that BDO had issued which referred to weaknesses in significant control, related specifically to the 2018/19 accounts. The Chief Accountant stated that this would be corrected.

In response to questions:

- The Chief Accountant stated that officers had already produced a paper on some of the lessons learnt from the 2018/19 accounts audit process, focussing on creditors, debtors and grant income, with significant improvements already being made in these areas. With regards to the overall lessons learnt, the Council and BDO were exploring the option of using a third party to undertake a route cause analysis of the 2018/19 audit process, with recommendations for improvement. He stressed that it was important for any such work to look forward and build on the progress made, given that the next audit would be in the second year of the working relationship between the Council and BDO. The Finance Director stated that he was committed to bringing the result of any such work to a future meeting of the Committee, and both he and the BDO Partner stated they were confident that the improvements required would be made, due to the excellent working relationship between BDO and the council officers;
- The BDO’s Senior Manager stated that the audit procedures in relation to the 2018/19 accounts had been carried out and completed;
- The Finance Director stated that the complexity of the group accounts lied in the structure of the Council’s subsidiary companies. The Council had
several groups of subsidiary companies that had been created for various purposes to get the most benefit from their arrangements. Officers were keen to address that complexity where possible- for example, they were currently looking into the Reside group of entities to review if there were any which could be closed. Going forward, it was important that when the Council creates new structures, this was done in a way that would bring the most benefit to the Council but also minimise the complexity of the accounting; and

- The Independent Advisor to the Committee stated that he fully supported the undertaking of the route cause analysis referred to earlier and that the results be presented to this Committee when available. He also agreed with the view that the issues relating to the 2018/19 audit process should be reflected in the Annual Governance Statement for the same year.

The Committee resolved to:

- Note the current version of the Audit Completion Report (ISA260) from BDO, as set out at Appendix 1 to the report;
- Delegate approval of the final Statement of Accounts to the Director of Finance, in consultation the Chair, on the proviso that the finalised Statement of Accounts, the explanations for movements from the draft accounts, and the finalised ISA (UK) 260 report from the auditors are circulated to the Committee, in sufficient time for Members to seek clarification of any matters; and
- Note that the final Statement of Accounts 2018/19 would be published as soon as practically possible thereafter.

37. Work Programme 2020/21

The Chair asked officers to update the Work Programme to include the report requested under item 4 of the agenda on the lessons learnt from the 2018/19 accounts audit process.

The Independent Advisor stated that the other issue to consider going forward was the implications on the Work Programme of the Redmond Report published this month, which detailed the outcome of a wide ranging review of how local government external audit is regulated, procured and market managed. Most of the recommendations to arise from this report were addressed to the Government, which was yet to formally respond. However, the following three recommendations were ones which local authorities could respond to on their own initiative:

- That audit committees include at least one Independent Member;
- That audit committees produce an annual report; and
- That local authorities produce a report in summary form of expenditure or financial performance against their budgets.

The Chair asked the Finance Director to make arrangements to prepare a report for a future meeting of this Committee, summarising the implications of the Redmond Report for the Council and the Committee, with recommendations as to any arrangements that need to be put in place in light of it. The Chair also asked that the Redmond Report be circulated to the Committee for information.
The Finance Director stated that earlier in the year, the approval of the 2019/20 Accounts and the associated Audit Completion Report (ISA260) had been scheduled for the 16 November 2020 meeting; however, it was now clear that officers and BDO would not be in a position to present these reports in November. The draft 2019/20 accounts had been published and officers were working closely with BDO on the options as to the best approach to take to the audit.

The BDO partner described the challenges faced by external auditors in terms of resourcing and working in remote settings, with many audit firms, including BDO facing significant delays in audit work. Given the experience of the 2018/19 accounts audit, she did not wish to make promises to the Committee that could not be kept. She confirmed that it would not be possible to bring the Audit Completion Report for the 2019/20 accounts to the November meeting; however, she hoped that the audit would be completed within approximately, a four-month period. A clear timeline for delivering this audit would need to be developed and shared with the Committee, and this could be presented at the meeting in January 2021.

The Council’s Finance Director stated that he hoped that the 2019/20 accounts audit would be complete before the end of this financial year and officers would be working with BDO to develop a timetable. The Chair thanked Finance Director and the BDO Partner for their transparency.

The Chair asked that the Work Programme be updated to reflect the above discussions.
Summary

In accordance with the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, the draft Annual Governance Statement at Appendix 1 has been prepared for presentation to the Audit and Standards Committee for their consideration and approval prior to publication by 30 November 2020.

Recommendation(s)

The Audit and Standards Committee is asked to approve the Annual Governance Statement.

1 Annual Governance Statement

1.1 The Council is required to prepare and publish an Annual Governance Statement (AGS) in accordance with the CIPFA/SOLACE Guidance that is necessary to meet the statutory requirement set out in Regulation 6(1) of the Accounts and Audit Regulations 2015 which requires authority to “conduct a review at least once a year of the effectiveness of its system of internal control” and the findings of the review must be reported to Committee “in accordance with proper practices”.

1.2 The Guidance defines proper practices for the form and content of a governance statement that meets the requirement to prepare and publish a statement on internal control in accordance with Regulation 6(1) of the Accounts and Audit Regulations 2015. The AGS must be approved in advance of the Council approving the annual accounts.

2 Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

2.1 The Local Audit and Accountability Act 2014 (the ‘2014 Act’) requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the ‘Regulations’). Regulation 9 sets
out a timetable and requires certification by the Council’s responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution.

2.2 Furthermore Specified relevant local authorities¹ are required under Regulation 6(1) (b) to prepare an Annual Governance Statement (‘AGS’).

Governance is defined by CIPFA / SOLACE² as:

The arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

and

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entities' objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

2.3 The Regulations require the AGS be approved by a resolution of a Committee of the Council.

2.4 Following approval the Council must publish by 30 November 2020 the AGS as approved and a narrative statement by the Council on its financial performance, and economy, efficiency, and effectiveness in the use of its resources over the financial year.

3 Financial Implications

*Implications completed by: Katherine Heffernan, Group Manager – Service*

3.1 Internal Audit is fully funded as part of the Council’s Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report.

4 Other Implications

4.1 **Risk Management** – The internal audit activity is risk-based and therefore supports effective risk management across the Council.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix 1: Annual Governance Statement 2019/20

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¹ See Section 2 and Schedule 2 of the Accounts and Audit Regulations 2015
² CIPFA SOLACE Delivering Good Governance in Local Government Framework 2016 Edition
The London Borough of Barking & Dagenham

Annual Governance Statement
2019-20

Local Audit and Accountability Act 2014 &
Accounts and Audit Regulation 2015
Appendix 1

Annual Governance Statement for 2019-20

Introduction

This document is a review of our governance framework and of the effectiveness of our systems of internal control and risk management. It enables the Council to monitor whether these have led to the delivery of appropriate, cost effective services producing best value and the achievement of its objectives. In doing this, it also considers the legal framework and responsibilities of the Council.

Part of this statement therefore explains how the London Borough of Barking and Dagenham (LBBD) currently meets the requirements of regulation 6(1) (a) and (b) of the Accounts and Audit Regulations 2015 in relation to the review of effectiveness of its systems of internal control and the production of an Annual Governance Statement (AGS).

Coupled with these requirements is the need for a wider statement which indicates the degree to which the Council’s governance arrangements follow the proper practices in relation to accounts as set out in the revised document Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) (‘the Framework’). These are:

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Principle B - Ensuring openness and comprehensive stakeholder engagement.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle E - Developing the Authorities’ capacity, including the capability of its leadership and the individuals within it.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

This AGS enables stakeholders to be assured that decisions are properly made and public money is being properly spent on citizens’ behalf. It is based on evidence obtained across the Council about the robustness of the Council’s governance arrangements and its systems of internal control. This evidence builds on the assurance gathering process that has been in place since the requirement to produce a Statement on Internal Control began and the comments of the Council’s Senior Leadership Team (SLT) in relation to statements provided by their Senior Managers.
Appendix 1

There are five Sections in this AGS:

**Section 1**  Sets out the scope of responsibility and the purpose of the governance framework;

**Section 2**  Describes and assesses the effectiveness of the key elements of the systems and processes that comprise the Council’s governance arrangements;

**Section 3**  Presents an opinion of the level of assurance of the Council’s governance arrangements and the effectiveness of the Council’s governance arrangements;

**Section 4**  Sets out any significant governance issues that need to be addressed and how any issues from the previous year’s governance statement have been resolved;

**Section 5**  The Conclusion – a commitment to monitoring implementation for the next AGS review.
Section 1

The scope of responsibility and the purpose of the Council’s governance framework.

Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper public-sector standards, that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

The Purpose of the Governance Framework

The governance framework comprises the culture and values, coupled with its systems, processes and controls that the authority uses to engage with and lead the community. Its purpose is to enable the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk or a failure to achieve policies, aims and objectives (without a significant increase in resources and control functions) and so achieves a reasonable rather than an absolute assurance of effectiveness.

It is based on an ongoing process designed to identify and prioritise the risks to achievement of LBBD’s policies, aims and objectives; to evaluate the likelihood of those risks being realised; the impact should they be realised; and then to manage them efficiently, effectively and economically.

The Council has a local Code of Corporate Governance revised in spring 2017 to take account of the revised and new Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016).

The governance framework has been in place for the year ended 31 March 2020 and up to the date of approval of the audited Statement of Accounts.
Appendix 1

Section 2

Key elements of the Council’s systems and processes and their effectiveness - these are described in more detail below.

The Council’s Governance mission is to ensure the business of the Council is carried out within the law and to proper standards ensuring that public funds and resources are used to the best effect economically, effectively and efficiently with the goal of continuous improvement.

a) The Council’s Vision and Priorities

The vision and priorities for the London Borough of Barking and Dagenham (LBBD) represents the Council’s shared vision for the borough with its priorities setting out its role in place shaping and enabling community leadership within the context of a significantly reducing budget.

The understanding that everyone has a part to play in the future of the borough fuelled the creation of the Borough Manifesto, the Council’s aspirational, community-led and community-owned vision for the future of the borough over the next twenty years. The Manifesto will be delivered by strengthened local partnerships and new relationships to collaborate and take a place-based approach to overcome our biggest challenges. In order to realise that twenty-year vision by 2037, the Council must first build the foundations and make certain progress by 2022. The Corporate Plan sets out how that journey is started. The foundations in the redesign of the Council have now been created and changes now need to be made to culture, thinking and approach to service delivery, commissioning and partnership working.

For 2019/20 the Council set the vision for the borough as being:

One borough; One community; no-one left behind

With the priorities being set-out under 4 themes:

Theme 1: A New Kind of Council
Priorities:
1. Build a well-run organisation
2. Ensure relentlessly reliable services
3. Develop place-based partnerships

Theme 2: Empowering People
Priorities:
1. Enable greater independence & protect the most vulnerable
2. Strengthen our services for all
3. Intervene earlier

Theme 3: Inclusive Growth
Priorities:
1. Develop our aspirational and affordable housing offer
2. Shape great places and strong communities through regeneration
3. Encourage enterprise and enable employment

**Theme 4: Citizenship and Participation**

Priorities:
1. Harness culture and increase opportunity
2. Encourage civic pride and social responsibility
3. Strengthen partnerships, participation and a place-based approach

More detail on the vision and priorities is set out on the Council’s website: [www.lbld.gov.uk/vision-and-priorities](http://www.lbld.gov.uk/vision-and-priorities).

At the launch of the Borough Manifesto in July 2017, it was agreed that the Barking and Dagenham Delivery Partnership would report on progress towards targets and aspirations on an annual basis. The second conference took place in October 2019 when over 100 partners came together to discuss the progress they had collectively made over the past year towards achieving the vision of the Borough Manifesto, and the opportunities in the year ahead.

The Corporate Plan also sets out the Council’s performance framework. Progress against delivery of the Corporate Plan is monitored through the performance management framework, which was reported to the Corporate Strategy Group and Cabinet on a quarterly basis. The Cabinet Member for Performance also has the opportunity to provide constructive challenge to any Cabinet colleague via the Council’s performance challenge sessions.

The 2019-20 financial year saw continued organisational change and transformation. The Council has made further progress in moving towards becoming a new kind of council, a commissioning-based organisation based on service blocks that went live in 2017-18. The structure has four delivery options which include: directly managed services, commissioned services, contracted services, and external suppliers which are all supported by a strategic ‘core’.

The Corporate Plan is a key document to ensure the Council has a co-ordinated approach to delivering the vision and priorities and makes the best use of the resources available. The plan sets out 62 Key Accountabilities focused on the Council’s priorities, alongside 52 Key Performance Indicators (KPIs) that were monitored in 2019/20 as part of a quarterly report to Senior Leadership Team and Cabinet. The Key Accountabilities have been identified in consultation with Cabinet Members and represent projects that are integral to the delivery of the overall priorities and running of the Council. Key Performance Indicators (KPIs) have also been developed to support delivery of our key priorities, as well as monitor performance of frontline services.

The KPI’s were last revised in 2018/19 for the four-year Corporate Plan 2018-22 as the Council moves further towards delivering services through an outcomes-based commissioning model. The Corporate Plan is available on the Council’s website and a new plan was agreed by the Assembly in May 2020 although that is outside of the period covered by this review.
b) Our Values

In the delivery of the Council’s business, it has developed values which continue to be embedded across the organisation and underpin all Council activity. These values have been developed by staff and represent how the Council aims to conduct its business. The values are called ‘DRIVE’ and they expect everyone to:

- Deliver our best every day – and do what we have promised
- Respond in a prompt, positive way to our community’s needs
- Inspire others with our attitudes and actions
- Value people for who they are and what they can do
- Engage with others to improve our resilience and flexibility

c) Performance Management

Performance management is delivered by the corporate performance management framework which has been developed to ensure that we continue to monitor the effectiveness of our actions, whilst demonstrating how the Council’s strategies are being translated into plans and outcomes. It also helps to identify if any risks are materialising where performance indicators are not showing the level of progression anticipated. Our performance management arrangements tackle underperformance and the process supports continuous service improvement. The corporate performance management framework is set out in the Corporate Plan; the key document to monitor progress and delivery of the vision and priorities. Progress for the KPIs and Key Accountabilities set out in the Corporate Plan are reported quarterly to Corporate Performance Group and Cabinet.

In addition to this, each service produces a business plan setting out the service level objectives, actions to achieve the objectives, contribution to the vision and priorities, budget and risks. The business plans, service level objectives and KPIs are monitored through each service block. The focus has changed in recent years to developing commissioning mandates which align to the Corporate Plan and Borough Manifesto priorities. The final element of performance management is individual objectives. The actions required to deliver business plan objectives are reflected in team and individual plans forming the basis of annual and interim appraisals. Appraisals are scored to reflect individual performance and the contribution towards the delivery of the Council’s priorities. Regular team meetings and one-to-ones support the monitoring of delivery. Corporate quarterly monitoring provides senior managers and Members with an overview of the Council’s direction of travel.

To further ensure effective performance delivery and value for money, Internal Audit assessments are carried out as a third line of defence using a combination of in-house and externally sourced professionals.

There are a number of Corporate Groups/Boards, each chaired by the Chief Executive or a member of the Council’s Senior Leadership Team, they are:

- Corporate Strategy Group
- Corporate Performance Group
- Corporate Assurance Group
- Leadership Group
In addition, the Council has the following boards to deliver on operational, strategic and performance matters:

- Workforce Board
- Procurement Board
- Customer & Information Management Board
- Investment Panel (see below)

The Council operates an overview and scrutiny function, which allows Members to challenge decision makers, scrutinise performance, review important policies and advocate on behalf of the community.

Following changes to the Council’s constitution in May 2018, the Council’s Overview and Scrutiny functions are fulfilled by the Overview and Scrutiny Committee, except for health-related matters which are the responsibility of the Health Scrutiny Committee. The Overview and Scrutiny Committee supports the work of the Cabinet and the Council as a whole by considering and making recommendations through the scrutiny review process; scrutinising key decisions made by the Cabinet and other decisionmakers; and holding them to account and reviewing matters relating to a wide range of partner organisations.

One of the Cabinet portfolios, Finance, Performance and Core Services, looks at how the Council is meeting its objectives and where there are areas for improvement. Alongside this are the quarterly performance challenge sessions and monthly ‘deep dives’. The quarterly challenge sessions allow for performance to be effectively discussed with the consideration of actions to tackle underperformance. All portfolio holders attend the session and present the performance of the Key Performance Indicators (KPIs) and Key Accountabilities for their portfolios to the Cabinet Member for Corporate Performance & Delivery, the Leader and Chief Executive. Through the monthly ‘deep dive’ sessions, focus is given to specific areas of concern and used to discuss the reasons for underperformance and what actions are being taken to deliver improvements.

d) Council Constitution & Rules and Regulations

The Council’s Constitution sets out the roles and responsibilities of officers and Members. It provides details about how decisions are made and who can make them. It also contains the rules for managing the finances and resources effectively. The Council has adopted the strengthened Leader model and, under this model, the Council’s executive functions are discharged by the Cabinet as a collective body, by the Leader of the Council or delegated to officers. It provides clear accountability, effective leadership and decision making to drive forward service delivery. The Assembly retains strategic decision-making powers such as the budget framework.

In addition, the Council has a Health and Wellbeing Board established under the Health and Social Care Act 2012. It is an executive committee with a specific primary duty to encourage those who arrange for the provision of health or social care to work in an integrated manner. Membership is a combination of Cabinet Members and prescribed appointees. The board is a forum where key leaders from the Barking and Dagenham health and social care system work to improve the health and wellbeing of
local residents and reduce health inequalities. It has an agreed set of priorities – these are outlined in the borough’s Health and Wellbeing Strategy.

The Council has recently created five arm’s-length companies. These are:

- **BeFirst** - a council-owned regeneration company, to work with the flexibility of the private sector and the ethos of the public sector to accelerate the pace and scale of our regeneration while ensuring it remains inclusive established to deliver the real estate development of Social Housing and Regeneration Schemes in a faster timeline than the Council was able to;
- **Reside** - a council-owned municipal housing company, providing genuinely affordable homes to local working people, catering for those on a range of different incomes.
- **B&D Energy** – a council-owned green energy company, has been established to offer sustainable heat and power to new housing developments within the borough and surrounding areas.
- **B&D Trading Partnership (BDTP)** - a council-owned company that manages the workforce for Facilities Management and Catering and offers maintenance and catering services to business and government bodies with the area; and
- **B&D Schools Improvement Partnership (BDSIP)** – a company owned by the Council and a number of schools, with the aim of providing services to schools to improve outcomes for pupils.

Each company has signed a shareholders’ agreement. This sets out the responsibilities of the company in areas such as operating parameters and required output. Additionally, company directors have signed a members’ agreement between themselves and the Council that sets out the code of conduct for directors.

The Council has created a Shareholder Panel as an advisory board to support Cabinet decision making around the Council's role as Shareholder in any Company, wholly or partly owned by the Council. The Panel has the primary aim of managing the Council’s shareholder interests in its commercial entities and to ensure the performance of the Companies against agreed Business Plans are satisfactory. The Shareholder Panel provides assurance that all legal Shareholder requirements are fulfilled and through its governance and reporting framework seeks to protect the delivery of the Council’s strategic objectives.

Membership of the Shareholder Panel includes Members and Chief Officers and receives quarterly input and performance reports from each of the commercial entities. The Shareholder Panel will periodically report Company performance to Cabinet, with a minimum of one report per Company per annum or as otherwise requested by Cabinet.

The Council also has an Investment Panel made up of Council officers that evaluates the case for investments. The Investment Panel advise the Chief Operating Officer with regards to authorising the release of funds for lending to the companies.

Where key decisions are due to be made the Council publishes details in the Forward Plan prior to the decision-making meeting. Those meetings are open to the public unless exclusion is necessary for reasons of confidentiality under the Local Government Act 1972.
The Council Constitution continues to be kept under constant review and the Assembly agreed a number of amendments in May 2019 which saw a reprogramming of the Assembly to meet six times a year to avoid the four-month gap following the annual meeting and amendments and clarifications of Committee Terms of Reference.

Alongside the Council’s Contract Rules and Officer Scheme of Delegation, the Council has financial regulations which provide details of officers’ responsibilities relating to income, expenditure, internal control, risk management and partnerships. To support officers when they made purchases, the Council developed a code of procurement practice. These were all kept under review with a number of independently reviews mechanisms in place to ensure compliance.

The Council had the following statutory officers during 2019/20: Chief Executive (Head of Paid Service), the Chief Operating Officer (Section 151 Officer / Chief Financial Officer) and a Director of Law and Governance (Monitoring Officer), each of whom has the power to refer matters to Assembly if a breach of any regulation has occurred or is anticipated. By law the Council must also appoint a Director of Children’s Services and a Director of Adult Services and both roles are served by the Director of People Services. A Director of Public Health is in post and this has been a statutory position since April 2013 with the transfer of the Public Health function to the Council.

The Council’s financial arrangements fully conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Chief Operating Officer was responsible for the proper administration of the Council’s financial arrangements during 2019/20 and leads a suitably qualified finance team of officers. The Chief Operating Officer was actively involved in and able to bring influence to bear on all material business decisions to ensure immediate and long-term implications, opportunities and risks, were fully considered and in alignment with the Council’s Medium Term Financial Strategy.

e) Risk Management

Risk management is essential for the Council to be effective in realising its priorities and was well embedded within the Council in 2019/20. It continues to promote innovation in support of strategic objectives - opening the door to the possibility of taking risks to achieve positive outcomes. Proper risk assessment enabled informed decisions about the challenges and risks to be taken and the mitigation of any impacts. It also helped the Council to target its resources to achieve the best possible results with value for money in resources used.

The management of risk was embedded throughout the Council’s key governance frameworks in such areas as:

- Key decision making;
- Planning processes;
- Programme and Project management;
- Procurement processes;
- Partnership working arrangements;
- Capital Programme management; and
- Change management processes.
Appendix 1

In September 2019, a new Risk Management Strategy was approved by Cabinet. The strategy states that ‘the LBBD Risk Management vision is that the Council will have a robust system of risk management in place to identify, assess and manage the key risks in the Borough that may prevent it achieving the priorities identified in the Corporate Plan. Effective risk management will be a key management tool for LBBD, that is used to understand and optimise the benefits it can generate from calculated risk taking, as well as helping to avoid and manage ‘unwanted surprises’.

Under the Financial Regulations (Section 5.4.3) Chief Officers are responsible for: ‘maintaining risk registers in accordance with the Risk Management policy and framework, issued by the Council’s Risk Manager. Chief Officers will regularly review the risks and advise the Council’s Risk Manager appropriately of any material changes as they arise’. The Audit and Standards Committee is responsible for ‘receiving reports and making appropriate recommendations concerning…risk management’, as defined in the Council’s Scheme of Delegation.

When the Council-owned companies were established, business cases were presented to Cabinet for the approval and these contained risk registers that looked at the risk around their establishment and operation. The Council now has a risk register that includes risks relating to the ownership of the companies including any defined reputational risks and this is now reviewed before each quarterly meeting to update it for changes in the risk profile that occur as business plans are updated and quarterly reports are received. This process is also incorporated into the wider risk management process.

f) Codes of Conduct

Corporate and Organisation

The Council developed a major revised Local Code of Corporate Governance to take account of the CIPFA/ SOLACE 2016 Framework. The Council has an Employees’ Code of Conduct supported by a requirement to make declarations of interest and to declare gifts and hospitality. Interests have to be declared by officers above a certain grade and those in certain decision making and procurement positions. Officers are generally recommended to decline gifts and hospitality to ensure that officers were not inappropriately influenced. These codes and processes were made available to staff at their induction, they are on the intranet and online training was available to ensure every staff member understood their responsibilities.

Members Codes of Conduct

The Council, within the timescales, duly adopted a local code of conduct which is drafted in accordance with the Nolan Committee’s recommendations for standards in public life and revised codes for Planning and Licensing committees have also been introduced to take account of the changes. These have been incorporated into the Constitution and the Register of Members Disclosable Pecuniary Interests successfully established and completed. This has been supported by a Dispensation regime which enables Members to seek Dispensations to take part in meetings where
they may have a declarable interest. The Members Code has specific guidance on the issues of gifts and hospitality.

The Localism Act 2011 required that the Council must have in place ‘arrangements’ under which allegations that a member or co-opted member of the authority or of a Committee or Sub-Committee of the authority who has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations. The arrangements required the Council to appoint at least one Independent Person, that is someone whose views must be sought by the Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the authority at any other stage, or by a member against whom an allegation has been made.

The Council furthers the arrangements required under the Localism Act by its Audit & Standards Committee chaired by an elected Member and composed of elected Members. Complaints are managed by the Monitoring Officer who determines according to the Complaints Procedure whether matters should be reported to the Audit & Standards Committee for full investigation. Complaints are then considered by a Hearing Sub-committee established by the Audit & Standards Committee for that purpose.

The Council's Audit & Standards Committee continued to oversee adherence to the Councillors’ Code of Conduct, handled any complaints under this and also monitored compliance with employee related Codes of Conduct. The Audit & Standards Committee receives annually a report from the Monitoring Officer setting out the declarations of gifts and hospitality received by both Members and Officers. All policies and protocols relating to Members and officers as well as members of the public who volunteer to undertake Council activities were reviewed on an annual basis.

g) Whistleblowing and Members Complaints Process

The Council has a robust whistle blowing procedure which is actively promoted within the Council. The whistleblowing policy was last reviewed and updated in September 2019. Complaints against Members were handled in confidence and according to the strict timetable and procedure set out in the Code of Conduct and Complaints Procedure. There were three complaints against individual Members, all of which were dismissed at the first stage by the Monitoring Officer by reason of no evidence of a breach. One of these was subsequently withdrawn.

The Audit and Standards Committee maintains an ongoing review of complaints made, patterns and outcomes which are considered as a regular business item during the Committee cycle.

h) Training and Development

Member Induction

The Council has an Induction Programme, based around the key priorities identified by Members and senior officers. This includes a pre-election event for prospective
Appendix 1

candidates to ensure they understood in advance, the role and responsibilities of being a councillor and the training support they can expect.

Extensive Induction handbooks are produced for all Members, and there is a tailored version for Cabinet Members. There is training for Development Control, Licensing and Personnel Boards and members of Select Committees at the beginning of each municipal year with update sessions as required. Bespoke training for members of the Pensions Panel is also arranged.

There are all-Member training programmes for internal events. External learning events and mentoring is supported particularly for holders of key positions such as Cabinet and Chairs of Boards and Select Committees. The Induction programme for the new Members includes an intensive training programme and written information on a range of topics including standards and promoting democracy.

The Member Development Programme

The Council has a Member Development Programme based around the key priorities identified by Members and senior officers. In addition, the Member Development Group (which includes nine Members) meets quarterly to review member training needs, and officers review requirements with the Organisation and Member Development Officer. The Members Role Profiles list the knowledge and skill requirements for different positions and expected areas of learning and development.

The Member Development Programme is overseen by the Member Development Group. This is comprised of Members from Cabinet and a range of back bench Members from different boards and committees to ensure any new learning needs are quickly noted and addressed including the Council’s Monitoring Officer. A full programme of Induction and follow-up training and briefings are arranged for all Members. There are a mix of skills-based and knowledge-based sessions. There is a detailed process for inducting the newly-elected Cabinet Members. This includes the use of Peer Mentors for the Cabinet and the opportunity for all members to develop a bespoke personal development plan.

Cabinet Members, Committee Chairs and Deputies are offered the opportunity to attend the full Local Government Association (LGA) Leadership Academy Programmes which are designed specifically for councillors. Newly-elected councillors are offered the opportunity to attend introductory Leadership Academy residential weekends. There is a designated officer who co-ordinates the development programme and assesses training needs. Training is supplemented through weekly electronic Member Briefings, information from London Councils as well as the Council and LGA’s suites of e-learning programmes.

All Select Committee members have training as part of their induction agendas and agreed specific training during the year to remain current and to address identified needs. Induction training was provided for newly appointed Members of all quasi-judicial boards, some of which was assessed.

The Council was accredited with the London Charter Plus for Member Development in April 2017. Charter Plus is a nationally recognised structured quality framework which assesses the processes, impact and effectiveness of member development. Following extensive desktop and interview assessments with councillors and chief officers, the Council were shown to have met Charter Plus criteria: commitment to
councillor development and support, strategic approach to councillor development and that learning and development is effective in building councillor capacity.

An on-line Members’ handbook (Members App) was introduced in February 2018. This is uploaded onto their iPads and provides easily updateable information on the councillor role, the Council and Borough, media and communications, Member learning, support and ward resources.

i) Communication and Engagement

The Council is committed to changing the way it consults and engage with residents. We want to ensure local communities are more involved in shaping the places in which they live and provide them with the opportunity to engage during all stages of service design and delivery.

In response to that commitment, in Summer 2020 a new consultation and engagement website, One Borough Voice, was launched. The new platform features a number of innovative tools beyond the conventional method of conducting surveys. These tools allow us to engage with residents in an interactive and creative way, encourage them to share their stories, experiences and maintain ongoing conversations about the issues that really matter to them, enabling shaping of services and policies and in some instances leading to local neighbourhood action.

The Council launched a new resident engagement and action initiative, the Citizens’ Alliance Network in June 2020. Initially an online platform, this will grow into an online and face to face network operating across the borough, supporting residents to have more of a say in the things that matter to them, and supporting them to take action in their communities.

The Council have developed a great opportunity for local community groups to access grant funding for projects that will benefit their local area through NCIL (Neighbourhood Community Infrastructure Levy). This is an exciting and rare form of community funding which is genuinely participative, placing residents at the heart of the decision-making process with decisions on which of the applications receive funding being made by a panel made up of local residents who are identified via sortition.

j) Partnerships

In addition to the executive functions of the Health and Wellbeing Board, the Council utilises partnership boards, which are aligned to the borough manifesto targets and the priorities set out in the corporate plan. The partnership boards each have their own plans, identifying their aims to deliver these priorities and contribute to delivering the vision for the borough. They are responsible for monitoring performance, ensuring appropriate partnership representation and where relevant meeting legislative requirements. These boards are:

Health and Wellbeing Board – The Health Wellbeing Board brings together key health partners in order to deliver the priorities set out in the Health and Wellbeing strategy. It is chaired by the portfolio holder for Social Care & Health Integration and plays a driving role in ensuring residents lead healthy, independent lives and have choice over the care they receive.
The Council has worked with a range of NHS partners, including the Clinical Commissioning Group (CCG) to develop proposals to integrate further health and social care services. Key to this was work through our Integrated Care Partnership which brings together 3 neighbouring local authorities, 3 Clinical commissioning Groups and 2 NHS provider Trusts. As part of the devolution “ask” for London a proposal for an accountable care system has been put forward.

Community Safety Partnership - Together the partners address complex issues and have worked openly to develop and implement solutions to create a safer, stronger and more cohesive borough with reduced levels of crime.

Through the Community Safety Partnership the Council together with the other ‘responsible authorities’ (NHS, Police, Probation, LFCDA, MOPAC) discharged its responsibilities for reducing crime and disorder and making Barking and Dagenham a safer and stronger community.

The Council has operated a joint venture with Agilisys called Elevate East London since 2010. This joint venture covers a variety of core services including ICT, Revenues and Benefits, Customer Services, and Procurement and Accounts Payable. Governance arrangements are in place for the partnering agreement including a Strategic Partnering Board influencing the strategic direction of the partnership and a Client Function responsible for managing the performance of the contract for each of the services being delivered by Elevate to the Council.

The contract was originally let for seven years but was extended in 2015 for a further three years. With the contract ending on 9 December 2020 the decision was made to bring all core services in-house under a phased return of services approach, with the first of three key transition activities occurring in February 2020 and concluding in December 2020. Service delivery remains the responsibility of the joint venture until each transition date, from when Agilisys is no longer jointly responsible. Whilst the exit of the Elevate joint venture is part of a wider transformation programme underway at the Council, services currently performed by the joint venture will be brought in-house ‘as is’, with any transformation activities to occur at a later date.

Since the decision was made, a number of activities have commenced to ensure the smooth transition of the services back to the Council. A Deed of Variation was signed with Agilisys in April 2019 to put into effect an Exit Plan and to agree the terms of the phased transition, including confirming final payment arrangements and one-off payments to be made in relation to the transition. A dedicated Programme Manager was also appointed, and contract transition plans were developed for each key service area. To support the Exit Plan outlined in the Deed of Variation, a resource plan and contract transition plan specific to human resource activities were also developed, as the transition will involve the transfer of approximately 300 staff to the Council. Work has also been performed by the Council to ensure all contracts that will need to be novated or re-procured have been identified.

**k) The Borough Manifesto and the Barking and Dagenham Delivery Partnership**

**Borough Manifesto**

In February 2016, the Council’s Independent Growth Commission published its final report, it included 109 recommendations to ensure improvements of outcomes for
residents and to capitalise on the borough’s growth opportunities. One such recommendation was to develop ‘a borough manifesto setting out a shared vision for the borough and owned by residents, partners and key stakeholders in the borough’.

Consequently, Council officers began work in partnership with all local stakeholders on the development of ‘Barking and Dagenham Together: The Borough Manifesto’, a shared, place-based, 20-year vision for the borough, owned and delivered collectively and collaboratively by the Barking and Dagenham Delivery Partnership (BDDP). The Borough Manifesto sets the roadmap of what collectively the Council and partners need to deliver. Progress against the targets will be monitored by the BDDP.

The Manifesto was agreed by Cabinet in July 2017 and launched in the same month at an event hosted by Coventry University London. The launch was well attended by partners and other stakeholders. Partners fully supported the vision and targets set out in the manifesto and spoke about the need for everyone to play their part. The manifesto forms the top layer of the Council’s strategic framework which informs all other strategies.

Barking and Dagenham Delivery Partnership

In parallel with the development of the Manifesto’s vision, the Cabinet approved the establishment of the Barking and Dagenham Delivery Partnership (BDDP) in November 2016. The BDDP is comprised of local partners from across the public, private and third sectors, and will collectively be responsible for providing oversight, direction, and leadership in order to achieve the aspirations for the borough. BDDP meets on a quarterly basis and part of its role is to monitor and analyse progress towards delivering the Manifesto vision. Progress towards achieving the targets will be publicly reported on an annual basis.

Work is also underway to develop the partnership in order to enable it to deliver effectively. Lankelly Chase Foundation have funded Collaborate CIC to work with LBBD and in particular explore effective partnership working in Barking and Dagenham. The initial focus is on supporting the development of the delivery partnership with the aim of ensuring partners are working towards shared aims, that those aims are clearly articulated and understood, and that the relationships and infrastructure are ready for new forms of collaboration and place-based working. Developing effective ‘place’ based collaboration.

I) Schools

The governance of maintained Schools is the responsibility of appointed Governing Bodies. The Governing Body role involves setting, monitoring and evaluating progress toward achievement of strategic aims and objectives, whilst optimising their use of financial and other resources.

The Council’s role is to champion children and intervene where necessary or alert the regional schools commissioner for academy schools e.g. where there are concerns about performance or safeguarding.

The November 2014 Ofsted inspection of the local authority confirmed that the Council knows the strengths and weaknesses of governing bodies well.
The quality and performance of schools and governance has improved year on year in the borough and, as of March 2019, nearly 90% of schools are judged ‘Good’ or ‘Outstanding’ by Ofsted. This is above the national average. Governance and leadership arrangements are a key part of this judgment.

m) Counter Fraud

The Authority has a dedicated Counter Fraud team that follows the latest best practice including implementing the national counter fraud standards. Their work is underpinned by Council policies to promote and enforce fraud prevention and ensuring robust mechanisms are in place to acknowledge the risks of fraud, prevent its occurrence and pursue cases, apply appropriate sanctions & recover any losses through proceeds of crime legislation.

n) Audit and Standards Committee

One function of the Audit and Standards Committee is to oversee and improve the Council’s governance and regulation, assurance and risk management, fraud and corruption prevention, performance and compliance, sound financial management to achieve value for money and transparency and open government. The Audit and Standards Committee took over this function from the Public Accounts and Audit Select Committee in June 2018 and functions with broader terms of reference including standards and governance.

The Audit and Standards Committee has an annual work programme and during 2019/20 received reports on internal audit, counter fraud, risk management, external audit and the annual accounts, complaints against Members, information security and information governance.

o) Information Governance

Annually each spring an Information Governance Report is produced for the Audit and Standards Committee by the Chief Operating Officer. Training in information handling is a key priority with professional development of Members and officers an essential requirement, not least as a control mechanism to help prevent data breaches. A revised i-learn ‘Data Protection’ course has been developed that is mandatory for all staff and managers. The mandatory course must be completed annually and it incorporates changes brought about by the GDPR legislation. Completion rates are be monitored and will form part of the staff annual appraisal process and staff are also provided with a link to a number of information governance policies that they must read as this was a recommendation required by the ICO following the audit.

Following an audit of the Council in 2017 by the Office of the Information Commissioner (ICO), work continued in 2019/20 to implement the actions arising from the action plan sent to the Council in September 2017. Information data breaches continue to be reported and investigated internally to ensure that lessons are learnt, the likelihood of breaches is reduced and arising risks are mitigated.

The levels of reported breaches have shown a noticeable increase over the past few years 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 the Council’s prevention / management activity. One critical case was self-reported to the Office of the Information Commissioner (ICO) in 2016, none in 2017, four in 2018 and five in 2019. In all cases the ICO felt that the council took sufficient steps to mitigate and accordingly no further action was taken.

p) Transformation Programme

In relation to the Transformation programme current governance process operates through regular reporting to Corporate Performance Group (CPG) and Cabinet. There are many risks and dependencies in relation to achieving the savings from the programme and these are regularly reported through CPG and to the relevant portfolios. In addition, The Transformation Director meets with each Programme Sponsor monthly and each Programme Manager fortnightly to ensure the plan is on track and the financial targets are being achieved. A dashboard is produced containing comments and red, amber, green ratings from the PMO, Finance, the Programme Manager and the relevant Sponsor, ensuring full ownership of the content being reported.

The original budget for the programme was agreed by Cabinet in July 2016. These costs are tracked each month and reported through both CPG monthly and quarterly through Cabinet. The spend remains well within the budget limits set per year. All requests for staffing are put through the workforce governance procedures and procurement rules are followed. Each role is tested against the HMRC IR35 tool and this is then sent to the agency prior to recruitment. A copy is also retained for our records.
Section 3

Presents an opinion of the level of effectiveness and assurance of the Council’s governance arrangements.

In the light of evidence reviewed in relation to 2019/20 it is confirmed that the Council’s governance arrangements are fit for purpose, that the Council’s values, ethical standards, laws and regulations are being complied with, that financial statements and other published performance information are accurate & reliable, and that human, financial, environmental and other resources are managed efficiently and effectively.

The Council has embarked on a programme to transform the Borough and how the Council works. To achieve this, the Council will need to be innovative and efficient in-service delivery, adopting commercial practices where the business case supports this approach. The Council recognises that robust governance and embedded risk management processes will be fundamental to underpin the successful delivery of the programme. In addition, workforce policies are an essential element to bring about the cultural change required over the next four years. Accordingly, comprehensive programme management arrangements are operating, ensuring that risk management and governance structures continue to be fit for purpose, as part of the organisational change that is proposed and has been implemented. The Council was awarded the Silver Investors in People accreditation in 2018 demonstrating our investment in and commitment to our staff.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. Assurance on the review of effectiveness is informed by a range of evidence, both internal and external, including: the work of the Senior Leadership Team and Senior Managers responsible for the development and maintenance of the governance environment; the Head of Assurance’s annual report; comments made by the external auditors; and comments by other review agencies and inspectorates.

For this Governance Statement the Strategic, Operational, Commissioning, Service and Transformational Directors were invited to complete standard statements addressing governance issues in their areas. These were collated, with observations and recommendations and presented to the Corporate Assurance Group, for their comments and feedback. This ensured that the full span of the Council’s management team was consulted.

One of the functions of the Audit and Standards Committee to oversee and improve the Council’s governance and regulation, assurance and risk management, fraud and corruption prevention, performance and compliance, sound financial management to achieve value for money; and transparency and open government.

Audit and Counter Fraud Reports are presented to Audit and Standards Committee periodically to assist it in undertaking these functions.
As part of the Head of Assurance’s annual report, an opinion was given on the Council’s internal control framework. The Head of Assurance drew upon a wide range of assurance sources to help inform this opinion, including testing of the key controls in the Council’s major financial systems and the wider programme of audit and corporate counter fraud work. The Head of Assurance reported the opinion that based on the audit work undertaken their conclusion was that the organisation’s control framework is operating generally satisfactory with some improvements required. It is a statutory requirement that the Council must “undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

The 2019/20 Internal Audit Plan, approved by the Audit and Standards Committee in April 2019, included 29 audits consisting of 27 risk and compliance audits, 1 schools’ risk assessment project and one follow-up project for prior year schools. 41 audits were delivered, consisting of 29 risk and compliance audits and 12 audits of schools, with reasons for variations in the plan being reported quarterly to the Audit and Standards Committee.

Internal Audit work was performed in accordance with the Council’s Internal Audit Charter and Strategy in accordance with the Public Sector Internal Audit Standards. No Internal Audit reviews were issued in 19/20 with a ‘No Assurance’ opinion. There were however 13 audits whereby a “Limited Assurance” audit opinion was given; these are listed below and all high risk findings were reported to the Audit & Standards Committee during the year:

- Liquid Logic System Implementation;
- Debt Recovery & Write-Offs;
- Procurement Cards;
- Voids;
- Accounts Receivable;
- Oracle System;
- Key Performance Indicators - Monitoring & Reporting;
- Emergency Planning & Business Continuity;
- Freedom of Information Requests;
- Passenger Transport;
- Children’s Transportation and Commissioning;
- Right to Buy Sales and Leasing; and
- Children’s Transportation Commissioning.

All of these audits are subject to robust follow-up of the high-risk findings with corroborating evidence of control improvements required. Updates are reported to the Audit & Standards Committee periodically.

The Council’s Monitoring Officer has a responsibility under the Local Government and Housing Act 1989 to maintain and ensure consistent lawful processes and decision making and that arrangements secure effective and efficient working of the Council, its meetings, committees and working groups with the required officer support. They report that they are not aware of any specific governance concerns for the period.
Appendix 1

Complaints

Ombudsman
During the period there were 16 complaints referred to the Council by the Ombudsman with 11 that were upheld. Comparative figures for 2018/19 and 2017/18 are 20 complaints (16 upheld) and 44 complaints (5 upheld) respectively.

Complaints by the Public
During 2019 there were 3,566 complaints received with 2,066 of these being upheld. Comparative figures for 2018 are 3,826 complaints with 2,193 upheld.

Complaint numbers for Social Care and Education are reported separately according to statutory requirement. During 2019/20 there were 81 complaints in Children’s Services with 60 being upheld, 54 in Adult Social Care with 8 being upheld and 18 in Education with 9 upheld. In 2018/19 there were 103 complaints relating to Children’s Services, 34 for Adult Social Care and 15 for Education.
Section 4

Sets out any significant governance issues that need to be addressed and how any issues from the previous years’ governance statement have been resolved.

Previous Year 2018-19

The 2018-19 AGS had identified the following themes:

- Staffing;
- Inclusive Growth Strategy;
- Ofsted Inspection of Children’s Services;
- Phased Transition of Elevate Services;
- Transformation – Creating a ‘New Kind of Council’; and
- Statement of Accounts

Progress against these challenges is detailed below:

Staffing

This remains a headline governance challenge – see below.

Inclusive Growth Strategy

The Council has drafted an Inclusive Growth strategy, setting out the council’s goals, positions and commitments in relation to this core area of focus for LBBD. The aim is for this to be agreed by Cabinet towards the end of the year. The strategy clarifies where responsibility sits for different functions and objectives relating to inclusive growth and sets out the desired role for partners. In addition, the strategy has established and framed a comprehensive outcomes and performance framework in relation to inclusive growth, encapsulating the wholly owned companies and in-house service blocks that are responsible for delivering on this agenda for LBBD.

Ofsted Inspection of Children’s Services

In February 2019, the Council was subject to a Standard Inspection under the Ofsted Inspection of Local Authority Children’s Service (ILACS) framework. Ofsted determined that services for children in Barking and Dagenham require improvement in all judgement areas, as they did at the last inspection in 2014, although the judgement was consistent with the Council’s annual self-evaluation to Ofsted and inspectors did at the time report that strong and effective senior leadership had been in place under the (at that time) recently appointed Director of Children’s Services. Six specific recommendations were made by Ofsted.

A full Ofsted Improvement Plan was developed after the Inspection, reflecting work being undertaken to meet Ofsted’s recommendations and work against this action plan has been progressing at pace. In addition, a much broader improvement plan for Children’s Care and Support has been developed, which better reflects the full depth and breadth of the Council’s ambitions for improving the range of services impacting on children and young people. This has included the development of the new Target Operating Model for Children’s Social Care, a revised quality assurance and audit framework and the development of the partnership neglect strategy.
Phased Transition of Elevate Services

Since the decision was made to transition services back to the Council from Elevate East London LLP (Elevate), a number of activities have commenced to ensure a smooth transition. A Deed of Variation was signed with Agilisys in April 2019 to put into effect an Exit Plan and to agree the terms of the phased transition, including confirming final payment arrangements and one-off payments to be made in relation to the transition. A dedicated Programme Manager was also appointed, and contract transition plans were developed for each key service area. To support the Exit Plan outlined in the Deed of Variation, a resource plan and contract transition plan specific to human resource activities were also developed, as the transition will involve the transfer of approximately 300 staff to the Council. Work has also been performed by the Council to ensure all contracts that will need to be novated or re-procured have been identified.

The Internal Audit team commissioned an independent review of the plans during 2019/20 that was carried out by PwC via a framework agreement with LB Islington. The review was positive and a ‘reasonable assurance’ opinion was given over the control environment with one medium and one low risk action agreed with management.

Actual transition of staff started in February 2020 with the Contact Centre, Procurement and Accounts Payable. ICT followed in July 2020 and the final team, Revenues & Benefits return in September. The contract finally ends on 9 December 2020.

Transformation – Creating a ‘New Kind of Council’

In July 2016 Members gave the green light for plans to redesign the structure of the Council from first principles, to build a ‘new kind of Council’ capable of constructing the preventative system we aim for and, ultimately, realising the vision of the Borough Manifesto. In the years that have passed, this structural transformation has been implemented through our Ambition 2020 programme. We now have the structural framework needed to undertake our approach and are in a new phase of transformation that emphasises the importance of building a preventative system through a focus on what we do, who we work with and how. See below about the challenge of creating a ‘well run organisation’.

Statement of Accounts

This remains a headline governance challenge – see below.
Headline Governance Challenges from 2019/20

Impact of Covid-19
The Council is adhering and responding at pace to government guidance in response to the pandemic. Priorities have necessarily been changed to focus on the need to distribute emergency funding to vulnerable residents and to support essential services. Business as usual has changed to accommodate this but key processes and functions have been maintained. An ongoing assessment of the impact of the coronavirus pandemic on council services and council systems will be needed to ensure good governance.

Current analysis suggests that the resources announced so far from central government do not cover the full costs of the pandemic. The council needs to ensure that the additional spending and loss of income (particularly from council tax and business rates) are fully recovered from central government. The council is maintaining a log of all spending commitments and income losses relating to the pandemic to enable full accountability. The Council recognises that the Covid-19 crisis has had a significant financial impact and will have a long-term effect on the level of resources available to the Council. As part of its Medium Term Financial Strategy (MTFS) the council will continue to assess its medium term financial position and update its assumptions about the resources available to, and the investment needs of, the Council in light of the consequences of the Covid-19 crisis. The Council is also facing financial pressure from a combination of additional cost, lost income and the delay to the delivery of savings agreed as part of the Council’s MTFS.

There are early indications that there will be financial stress on major service contracts such as leisure, a fall in commercial property income and a delay to capital programme works that will need to be assessed in the medium and longer term.

The Coronavirus Act (2020) allows authorities to conduct meetings and take decisions in ways other than face to face so that decisions can still be made to maintain good governance, principles of openness and accountability. The council has adapted its approach by assessing which decisions can be delayed and re-scheduled and which decisions need to be made at pace to deal with the pandemic. Virtual meetings have now been instigated to ensure transparency and good governance prevails and allows access to the public and press.

Contract monitoring of some third-party providers has proven challenging in the current climate. This is partly due to a restriction on site-visits, and partly due to providers being asked to (or simply having to) drastically change their delivery model from that specified in the contract as a result of Covid-19 – further challenging our ability to effectively monitor certain contracts.

Brexit
The Council continues to have a key role to play on behalf of the residents and businesses of the borough in terms of Brexit, which is likely to have wide ranging impacts on public services, communities and business.
Throughout the process of preparing for the UK’s exit from the European Union, the legal and political dynamic of the situation has been such that at any one time a range of scenarios have been possible. LBBD continues therefore to take a pro-active approach, the key elements of which remain:

- Supporting Members, and the organisation more generally, in its policy and communications.
- Providing reassurance and effective advice to support to our communities, especially the most vulnerable.
- Ensuring that council’s services are prepared as much as possible for the anticipated impacts of the different scenarios for the leaving the EU.

Although the UK has now left the European Union, there remains a lot of uncertainty with regards to what the situation will be at the end of the transition period. With this in mind, preparations will being focusing less on emergency planning for the weeks following a potential no deal EU Exit, and more on the long-term future impacts on Council services, communities and the local economy, and prompting local stakeholders to make suitable preparations. We are therefore reviewing the make-up of the officer working groups to ensure that it covers the range of areas that need to be addressed.

Senior officers will continue to monitor the situation to ensure the Council is making the necessary preparations. The present arrangements are that the Director of Policy and Participation is taking the corporate lead.

The Council has embedded the impacts of Brexit into its risk management and continuity planning processes, with responsibility shared across its senior leadership team. Brexit has been placed on the corporate risk register, and associated risks are kept under regular review by the Corporate Assurance Group. The Council is also engaging with central government, primarily through London Councils, to co-ordinate a pan-London approach.

The Council has business continuity plans for each of its services. The business continuity plans have been updated and revised with an explicit Brexit focus as developments are known, including the specific risks of any ‘no deal’. We continue to ensure that this process feeds into the strategic view of impacts and mitigations. The Emergency Planning team continue to monitor Brexit developments in their emergency response planning role.

**Core Transformation Programme**

The success of all activity associated with the three corporate priorities of ‘Participation and Engagement’, ‘Prevention, Independence and Resilience’ and ‘Inclusive Growth’ is dependent upon the capacity and capability of the Council’s core and support functions to enable and collaborate with each service delivery block across the Council’s system. It is for that reason that there is a fourth, cross-cutting section to the Single Performance Framework, concerned with the operation of the Council’s support functions and the way in which our business is operated. This is called the ‘Well Run Organisation’.

Key to the next two years is ensuring there are ‘best in class’ support functions which enable service delivery blocks to play their part as specified through the commissioning system. This means getting the basics right in terms of governance,
HR, finance, procurement, and customer service. But it also means a step change in our approach to commissioning, policy, insight, technology, and how we facilitate participation from residents in Council business. And we must do this while adapting to a rapidly changing situation as the Coronavirus pandemic and its fall-out continues to unfold.

Over the next two years, the Core Transformation Programme will ‘root and branch’ re-design the Core functions around the principles of the Council’s approach to public service; a new culture and ethos. This final piece of the puzzle of the Council’s structural transformation will develop its support functions to be relentlessly reliable, lean and efficient, modern and agile.

In time, as the Core Transformation is implemented, the ‘blueprints’ for each function of the Core will be developed to include comprehensive performance frameworks that evidence the standards of excellence to be achieved by our functions in supporting the wider approach of the Council. This development will require the iteration of this section of the Single Performance Framework. Until then, this section of the Framework serves as an interim way of analysing and shaping the improvement activity that is in-train or on the visible horizon.

**Staffing**

As in previous years there again appears to be pressure in terms of recruitment and retention of specialised staff particularly social workers and legal practitioners. This challenge is not exclusive to the Borough and illustrates the point that unless the overall employment proposition is competitive and attractive the churn inevitably leads to valuable technical skills and organisational knowledge being lost to the organisation.

Periods of radical change can be unsettling, and leadership is more essential than ever. The Council currently has silver accreditation from Investors in People’ and was recognised by the LGC as ‘Council of the Year’ in 2018 in relation to the ambitious change programme particularly its design and implementation. Such recognition ensures the council’s reputation is evidenced across the sector and will also attract employees. The issue of having sufficient competent well performing staff is key to sound governance. Once experienced staff have left, they may prove to be difficult to replace in times of upheaval and financial uncertainty.

**Statement of Accounts**

The preparation of timely, high quality accounts is a key component of a system of good governance. The Council’s external auditors, BDO, reported in their Audit Completion Report that there had been significant challenges to the completion of their work relating to 2018/19, particularly with regard to the completeness and quality of the draft financial statements and supporting working papers. This resulted in additional audit testing being necessary and significant changes to the draft financial statements. BDO highlighted significant deficiencies in internal control relevant to the preparation of the statement of accounts and a high volume of errors was identified through multiple iterations of group consolidation working papers. A number of the misstatements were in relation to the previously audited prior year (2017/18) some of which resulted in a prior period adjustment.

2018/19 was the first year of consolidation of the group accounts and the fact that each subsidiary follows a different accounting framework has created an
understandably significant challenge for the Council to consolidate all into the Group Accounts.

Significant improvements have been made to internal control in 2019/20 such that the accounts are now reviewed for compliance with the code of practice and all working papers are reconciled to the draft financial statements. Working papers are also reviewed for quality as part of the robust quality assurance process introduced by the Chief Accountant and changes to the working papers have been made making it easier for BDO to select samples from and perform their audit work.

Individual ledgers have been created within Oracle for the Council’s components to address the dual ledgers set up issue. This has put the Council in a better position going forward to address most of the concerns raised over the consolidated accounts. The Council is also working hard with its components to ensure the draft accounts are received in a timely manner. This will ensure sufficient time is set aside for consolidation and reviews effective from 2020/21 onwards. The learning taken from the results of the 2018/19 Group Accounts audit has put the Council on a better footing for the 2019/20 work.
Section 5

The Conclusion – a commitment to monitoring implementation for the next review by the Leader of the Council and the Chief Executive

This statement is intended to provide reasonable assurance. It is based on the evidence available. It is stressed that no system of control can provide absolute assurance, and in a period of transformation and transition to a new delivery model, items may be misstated or be of varying accuracy. As a result, the processes operate to carry out reviews and the forums of Audit and Standards Committee and the Assurance Group receive and monitor performance of the Council’s Governance Framework. Looking forward the Council’s new Scrutiny arrangements will focus on key risks which will dovetail with the AGS.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and the ongoing work to ensure continuous improvement of the systems is in place.

We look forward to working more closely with our partners and all organisations in the community, public, private and voluntary sectors to strengthen our local communities and increase prosperity. This year sees a period of transition to the Council’s traded companies.

Where issues have been identified in preparation of this report we will ensure that they are effectively addressed and we will monitor their improvement as part of the next annual review.

Signed: Signed:

Councillor Darren Rodwell Claire Symonds
Council Leader Acting Chief Executive

November 2020 November 2020
Title: Internal Audit Report 2020/21 – Quarter 1 and Quarter 2 (April to September 2020)

Open Report | For information
--- | ---
Wards Affected: None | Key Decision: No

Report Author: Christopher Martin, Head of Assurance | Contact Details:
Tel: 020 8227 2174
E-mail: Christopher.Martin@lbbd.gov.uk

Accountable Strategic Leadership Director: Fiona Taylor, Acting Deputy Chief Executive

Summary:
This report brings together all aspects of Internal Audit work undertaken to date during 2020/21. The report details audit progress and results to 30 September 2020 and includes details of the overdue high-risk recommendations outstanding and actions being taken by management to address these.

Recommendation:
The Audit & Standards Committee is asked to note the contents of the report.

1. Risk and Compliance Audits 2020/21
   1.1. The risk and compliance audit plan has had four new audits added to the plan since the start of the year with seven being removed. A further four audits have had additional days allocated. This is detailed in Section 1.
   1.2. At the end of Q2, 22% of the original plan of risk and compliance audits were at least at draft report stage. This falls just short of the target for the end of Q2 which is for 25% of audits to be at draft stage.

2. School Audits 2020/21
   2.1. An exercise has been completed to risk assess the schools in the Borough to inform a risk-based schools’ audit plan and work is now underway against this plan.
   2.2. The 55 days allocated to schools’ audits was increased to 60 following the risk assessment and this has been split amongst 11 schools and the follow-up work.
   2.3. At the end of Q2, just one of the schools’ audits had been completed and had therefore not met the target for the end of Q2 which is for 25% of audits to be at draft stage. This is because schools have been closed for much of the period.
3. Outcomes of the internal audit work

3.1. Nine draft reports have been issued since the start of the year, eight from the risk and compliance plan and the school follow-up work. Four final reports have also been issued with one of these being Limited Assurance and two Reasonable Assurance. The school follow-up work does not get awarded an assurance level.

4. Progress in implementation of internal audit recommendations as at 30 September 2020

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 seven outstanding overdue high-risk findings as at 30 September 2020 and these are all in the process of being followed-up.

4.3. There are no critical findings outstanding.

5. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

5.1. The Local Audit and Accountability Act 2014 (the ‘2014 Act’) requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the ‘Regulations). Regulation 9 sets out a timetable and requires certification by the Council’s responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution.

6. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

6.1. Internal Audit is fully funded as part of the Council’s Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report.

7. Other Implications

7.1. Risk Management – The internal audit activity is risk-based and therefore support effective risk management across the Council.

Public Background Papers Used in the Preparation of the Report: None

Appendices

Appendix 1 Internal Audit 2020/21 Q1 and Q2 update
Appendix 2 Revised Internal Audit Plan
Appendix 1: Internal Audit 2020/21 Q2 update

1. Progress against internal audit plan 2020/21 as at 30 September 2020

Risk and compliance audits
1.1. The following tables detail the changes to the 2020/21 audit plan made in the first two quarters of the year, April to September 2020:

<table>
<thead>
<tr>
<th>Added</th>
<th>Removed</th>
<th># of 2020/21 audits as at end of Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>7</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit title</th>
<th>Change</th>
<th>Rationale for change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Hacking</td>
<td>Added</td>
<td>Change to risk environment</td>
</tr>
<tr>
<td>Data Privacy</td>
<td>Added</td>
<td>Change to risk environment</td>
</tr>
<tr>
<td>Covid-19 Spend Review</td>
<td>Added</td>
<td>Change to risk environment</td>
</tr>
<tr>
<td>IT Resilience</td>
<td>Added</td>
<td>Change to risk environment</td>
</tr>
<tr>
<td>CM2000 system</td>
<td>Deleted</td>
<td>Delay in system implementation</td>
</tr>
<tr>
<td>Homelessness &amp; Temporary Accommodation</td>
<td>Deleted</td>
<td>Changed priorities - deferred to 2021/22</td>
</tr>
<tr>
<td>Over/Under Occupation</td>
<td>Deleted</td>
<td>Changed priorities - deferred to 2021/22</td>
</tr>
<tr>
<td>Contact Centre</td>
<td>Deleted</td>
<td>Changed priorities - deferred to 2021/22</td>
</tr>
<tr>
<td>Barking Market</td>
<td>Deleted</td>
<td>Changed priorities - deferred to 2021/22</td>
</tr>
<tr>
<td>Body Worn Equipment</td>
<td>Deleted</td>
<td>Changed priorities - deferred to 2021/22</td>
</tr>
<tr>
<td>Pupil Referral Unit</td>
<td>Deleted</td>
<td>Audit completed 2018/19</td>
</tr>
<tr>
<td>Liberty Protection Safeguards</td>
<td>Additional Days</td>
<td>Required to sufficiently cover scope.</td>
</tr>
<tr>
<td>Requirement</td>
<td>Additional</td>
<td>Required to sufficiently cover scope.</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Talent Link System</td>
<td>Days</td>
<td></td>
</tr>
<tr>
<td>LMS - post implementation review</td>
<td>Days</td>
<td></td>
</tr>
<tr>
<td>Climate Change</td>
<td>Days</td>
<td></td>
</tr>
</tbody>
</table>

The revised internal audit plan is detailed at Appendix 2.

1.2. The table and graph below indicate the progress made against the 2020/21 audit plan as at 30 September 2020.

<table>
<thead>
<tr>
<th>Not started</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Draft report</th>
<th>Final report</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>12</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

Audits identified as ‘not started’ in the table above will enter the planning and delivery stages during Quarters 3 & 4.

1.3. Of the three audits that have reached the final report stage, two of these were awarded Reasonable Assurance and one was awarded Limited Assurance:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Agreed Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Guardianship Orders – Limited Assurance</td>
<td></td>
</tr>
</tbody>
</table>
Whilst payments to Guardians are calculated, recorded and approved within the Liquid Logic System, the payments themselves are actually made through the Oracle financial system using the Liquid Logic. There were however no reconciliations taking place between the two systems to ensure that amounts paid matched those authorised.

The two system totals should be reconciled on a monthly basis to ensure that amounts paid match amount authorised.

**School Audits**

1.4. 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 and the risk assessment had previously been fully outsourced to Mazars.

1.5. This year the Head of Assurance has undertaken a risk assessment to inform a risk-based approach to schools’ audits. This has now been completed and the output of this work, including a proposed schools’ audit plan for 2020/21 has been determined.

1.6. The following table details the changes to the 2020/21 schools audit plan made since the start of the year, to September 2019:

<table>
<thead>
<tr>
<th>Added</th>
<th>Removed</th>
<th># of 2020/21 audits as at end of Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>12*</td>
</tr>
</tbody>
</table>

* This consists of eleven schools and a follow-up project on prior year reports.

1.7. The only changes to the schools’ audit plan were the determination of the original use of 55 days (ten schools and the follow-up work) and the addition of a further school as detailed in the following table:

<table>
<thead>
<tr>
<th>School</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rose Lane Primary</td>
<td>Use of original days</td>
</tr>
<tr>
<td>Beam Primary School</td>
<td>Use of original days</td>
</tr>
<tr>
<td>Southwood Primary School</td>
<td>Use of original days</td>
</tr>
<tr>
<td>Eastbury (all through) School</td>
<td>Use of original days</td>
</tr>
</tbody>
</table>
Leys Primary Schools | Use of original days
Manor Infant School | Use of original days
Marsh Green Primary Schools | Use of original days
Monteagle Primary Schools | Use of original days
St Peter's Catholic Primary Schools | Use of original days
William Bellamy Primary Schools | Use of original days
Manor Junior School | Added
School Follow-ups | Use of original days

The current internal audit plan is detailed at Appendix 2.

1.8. The table and graph below indicate the progress made against the 2020/21 audit plan as at 30 September 2020.

<table>
<thead>
<tr>
<th>Not started</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Draft report</th>
<th>Final report</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

![Audit Progress Graph]

2. Progress in implementation of audit findings as at 30 September 2020
2.1. The table below summarises the high-risk findings, as at 30 September 2020, that have reported as final, been implemented, are outstanding and are beyond their due date:

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>Implemented</th>
<th>Outstanding</th>
<th>Beyond due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>34</td>
<td>27</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>2020/21</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>35</strong></td>
<td><strong>27</strong></td>
<td><strong>8</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Finding</th>
<th>Agreed Action</th>
<th>Latest progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported 2019/20</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liquid Logic – Limited Assurance</strong></td>
<td>Liquid Logic can produce automated reports of management information for key stakeholders. This information is confidential as in some cases it contains sensitive information. Access to these reports needs to be restricted and they should only be produced when there is a clear requirement. Internal Audit has seen evidence that those requesting information are being robustly challenged before they get access to it and that all those with access to these reports must have the appropriate training to handle sensitive information. However, once access has been given to reports there is currently no inventory that the team has to show what</td>
<td>Risk Accepted The service have determined that reviewing and monitoring produced and shared reports on an ongoing basis would be an impossible task that is resource demanding and cumbersome. Based in the presumed 800-900 reports currently present in the system, plus the pre-built ones in LiquidLogic – possibly about 15% of which are scheduled in various frequencies- a conservative estimate would suggest that the number of reports produced that would need to be monitored, tracked and traced during a twelve months period, would be between 4000 and 5000; maintaining an inventory</td>
</tr>
</tbody>
</table>
reports are being produced and who receives them. Log of such dimension that includes a recipients, justification, reason, with annual recertification would be onerous, resource demanding and can only be done manually.

**Right to Buy and Sales Leasing – Limited Assurance**

**Updating the Land Registry - the applicant’s solicitors are currently responsible for updating the Land Registry following the completion of a sale.** Testing of a random sample of 20 cases confirmed that only one had any evidence that the necessary charges had been filed on the Land Registry.

The Local Land Charges Team will add the property charges to Land registry. On completion a memo will be sent of each sale requesting that the charge is added to the property and confirmation of this being completed will be received and verified. As back-up we will also seek assurances from the buyers’ solicitors that all appropriate charges have been added to the land registry once the sale has been completed.

Agreed Date: 31 January 2020

**Conveyancing - discussion with the Interim Head of Leasehold Services and Reside confirmed that currently the conveyancing part of Right to Buy and Buy Backs is performed by a Team with no supervision from a legal professional.** The Legal Services Act 2007 lists any activity which involves preparing an "instrument" relating to "property" as a reserved activity which must be undertaken by a legal professional.

We will ensure that the RTB officers are not carrying out reserved activity, regulated by the Legal Services Act 2007, without appropriate supervision from someone with a legal qualification.

Consultation with Legal Services to continue.

Agreed Date: 31 January 2020

**Follow-up in progress, expected completion November 2020:** A team review is taking place which will see the recruitment of a part time conveyancing solicitor to undertake all reserved activities. This will be done as part of a wider My Place restructure which has been put on hold due to COVID-19. As an interim measure there is now oversight from Legal Services who sign off the Land Registry changes and closing cases.
be completed at least under the supervision of a qualified legal professional.

Legal Services who sign off the Land Registry changes and closing cases.

---

### 3. Internal audit performance as at 30 September 2020

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Target</th>
<th>Performance &amp; RAG Status</th>
<th>What it measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output Indicators (Efficiency)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of 2020/21 Audit Plan completed (Audits at draft report stage)</td>
<td>&gt;25% by 30/9/20</td>
<td>22% - AMBER</td>
<td>Delivery measure</td>
</tr>
<tr>
<td></td>
<td>&gt;50% by 31/12/20</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt;80% by 31/3/21</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% by 31/5/21</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Meet standards of Public Sector Internal Audit Standards</td>
<td>Substantial assurance or above from annual review</td>
<td>Confirmed * - GREEN</td>
<td>Compliant with professional standards</td>
</tr>
<tr>
<td><strong>Outcome Indicators (Effectiveness - Adding value)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Risk Recs not addressed within timescale</td>
<td>&lt;5%</td>
<td>21% - RED</td>
<td>Delivery measure</td>
</tr>
<tr>
<td>Overall Client Satisfaction</td>
<td>&gt; 85% ratings excellent, good or adequate (i.e. not rated poor)</td>
<td>100% for 2019/20 – GREEN</td>
<td>Customer satisfaction</td>
</tr>
<tr>
<td></td>
<td>No 2019/20 returns to date.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Internal Audit for 2020/21 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.*
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Appendix 2: Revised internal audit plan 2020/21 as at 30 September 2020

1.1. The internal audit plan 2020/21 was approved by the April 2020 Audit and Standards Committee.

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

<table>
<thead>
<tr>
<th>Audit title</th>
<th>Audit objective</th>
<th>Status at 30 September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk and compliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Guardianship Orders</td>
<td>Risk area deferred from 2019/20 as agreed by ASC</td>
<td>Final Report issued Q2 – Limited Assurance</td>
</tr>
<tr>
<td>Parking Permits</td>
<td>Review of control operation in new and existing CPZs</td>
<td>Final Report issued Q2 – Reasonable Assurance</td>
</tr>
<tr>
<td>Business Rates</td>
<td>High profile area of income collection</td>
<td>Draft Report issued Q2</td>
</tr>
<tr>
<td>Overtime Payments</td>
<td>Review of controls regarding high profile payments</td>
<td>Draft Report issued Q2</td>
</tr>
<tr>
<td>Tenant &amp; Leasoholder Act</td>
<td>Review of Section 20 consultations to maximise income collection and safeguard reputation</td>
<td>Draft Report issued Q2</td>
</tr>
<tr>
<td>Housing System – post implementation review</td>
<td>Post implementation review of the new Housing system</td>
<td>Draft Report issued Q2</td>
</tr>
<tr>
<td>Covid-19 Spend Review</td>
<td>Ensure robust control arrangements over emergency spending</td>
<td>Draft Report issued Q2</td>
</tr>
<tr>
<td>New Parking System</td>
<td>Input into IT project for new Parking system</td>
<td>Work in Progress</td>
</tr>
</tbody>
</table>
1.3. The audits planned for the remainder of 2019/20 are set out below. The plan details the draft audit title and draft audit objective:

<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Audit Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialist Intervention Service</td>
<td>A new Council team that pulls together existing teams in a new model of service delivery</td>
</tr>
<tr>
<td>Youth Offending Team</td>
<td>New national standards</td>
</tr>
<tr>
<td>Direct Payments</td>
<td>Link with PWC Investment Fund</td>
</tr>
<tr>
<td>Liberty Protection Safeguards</td>
<td>Replacement of Deprivation of Liberty Standards under Mental Capacity (Amendment) Bill</td>
</tr>
<tr>
<td>Charging Policy</td>
<td>Review of new policy introduced in 2019/21</td>
</tr>
<tr>
<td>ARPs Safeguarding</td>
<td>High profile area</td>
</tr>
<tr>
<td>Area</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Education, Health and Care Plans</td>
<td>Risk area deferred from 2019/20 as agreed by ASC</td>
</tr>
<tr>
<td>Homelessness - Southwark Judgement</td>
<td>Approach to children who present themselves as being homeless or at risk of homelessness. High profile.</td>
</tr>
<tr>
<td>Risk and transparency in the Supply Chain</td>
<td>Assessment of whether LBBD understand and monitor risks in the supply chain that could affect our own risk, delivery and reputation</td>
</tr>
<tr>
<td>Rent Arrears</td>
<td>Assessment of whether rent collection and arrears processes are robust and are being complied with.</td>
</tr>
<tr>
<td>Welfare Reform</td>
<td>Cumulative impact and overarching management of the different projects and their consequences</td>
</tr>
<tr>
<td>Be First Governance</td>
<td>Balancing autonomy and governance requirements.</td>
</tr>
<tr>
<td>Information Security Part 2</td>
<td>Agreed next steps in review of information security and governance</td>
</tr>
<tr>
<td>Pensions Administration</td>
<td>Control assessment in high profile area</td>
</tr>
<tr>
<td>Treasury Management</td>
<td>Control assessment in high profile area</td>
</tr>
<tr>
<td>Recruitment Governance &amp; Vetting</td>
<td>A review of the existing controls and control redesign where necessary</td>
</tr>
<tr>
<td>Talent Link System</td>
<td>Control assessment in high profile area</td>
</tr>
<tr>
<td>Building/Fire Safety</td>
<td>A review of the LBBD approach to a high risk area in the light of the Hackett Report amongst others</td>
</tr>
<tr>
<td>Transfer of Properties to Reside</td>
<td>Control design of the process by which properties transfer ownership</td>
</tr>
<tr>
<td>Tenancy Data Quality</td>
<td>Review of controls in place to ensure that data held is current and accurate</td>
</tr>
<tr>
<td>Climate Change</td>
<td>UK declared climate emergency - air pollution, carbon &amp; energy reduction, recycling, electric charging points etc.</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ethical Hacking</td>
<td>Security hardening, infrastructure penetration testing and phishing.</td>
</tr>
<tr>
<td>Data Privacy</td>
<td>Data privacy review of your compliance with the requirements of the GDPR</td>
</tr>
<tr>
<td>IT Resilience</td>
<td>High-level IT resilience and IT disaster recovery review of the Council’s response to COVID-19</td>
</tr>
</tbody>
</table>
| **Schools Audits**     | • Rose Lane Primary  
                        • Beam Primary School  
                        • Southwood Primary School  
                        • Eastbury (all through) School  
                        • Leys Primary Schools  
                        • Manor Infant School  
                        • Manor Junior School  
                        • Marsh Green Primary Schools  
                        • Monteagle Primary Schools  
                        • St Peter's Catholic Primary Schools  
                        • William Bellamy Primary Schools  |
Title: Counter Fraud 2020-21: Quarter 2 Report

Open Report

Wards Affected: None

Report Author: Kevin Key, Counter Fraud Manager

Accountable Strategic Leadership Director: Fiona Taylor, Director of Law, Governance and HR & Deputy Chief Executive

Summary:
This report brings together all aspects of counter fraud work undertaken to date during 2020/21. The report details progress to 30 September 2020.

Recommendation:
The Audit and Standards Committee is asked to note the contents of the report.

1. Summary of Counter Fraud work undertaken for Quarter 2 2020/21

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, along with the annual totals, is set out below. The team receives many referrals throughout each quarter and 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 Quarter 2 2020/21 Fraud referrals incl. whistleblowing

<table>
<thead>
<tr>
<th></th>
<th>19/20 Total</th>
<th>20/21 Total</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases Outstanding from last quarter</td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Referrals received in Period</td>
<td>220</td>
<td>80</td>
<td>51</td>
</tr>
<tr>
<td>Cases accepted for investigation</td>
<td>45</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>No further Action after initial review/already Known</td>
<td>33</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Referred to other service block within LBBD</td>
<td>142</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>DPA, FOI, and other information provided</td>
<td>47</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>Cases closed following investigation</td>
<td>42</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Ongoing Corporate Fraud Investigations:</td>
<td></td>
<td></td>
<td>13</td>
</tr>
</tbody>
</table>
2.3 For 2020/21 the recording remains an accurate representation of the work undertaken, outlining a true reflection of what action is being taken on every referral received. We also still report on all referrals made directly to the Police and/or Action Fraud.

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 directly with members of the team. All contact is logged and assessed accordingly. Considering 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 summary, if there is a possibility/mention of fraud we are likely to have received a referral either via email or telephone.

2.5 Outcomes – Quarter 2 and annual total 2019/20

<table>
<thead>
<tr>
<th></th>
<th>19/20 Total</th>
<th>20/21 Total</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended for disciplinary process/New cases as a result</td>
<td>10</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Referred for Management action</td>
<td>14</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>No fraud/No further action</td>
<td>15</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Referred to Police/Action Fraud</td>
<td>10</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

3. Current / future key issues – Corporate

3.1 Work has continued with casework within Adult Care Services. Meetings have taken place with Legal to progress these cases and look to take appropriate action where possible.

3.2 Work is ongoing with colleagues who administered the Covid Business Grants to ensure sufficient checks have been completed to reduce the potential for fraud.

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 Senior Officers and Members maintain an oversight of RIPA usage.

4.2 The last inspection of RIPA was undertaken by the Investigatory Powers Commissioner’s Office in April 2020. The report was favourable, and all recommendations have been implemented.

4.3 Training was also provided to over 90 staff and managers, across all service blocks, at the beginning of the year to ensure as many people were aware of RIPA and the
processes we have in place regarding this. By providing this up to date training, the expectation is in place that for any use of covert surveillance, RIPA should be considered.

4.4 The current statistics are set out below following review of the central register, held by the Counter Fraud 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 Quarter 2 July – September 2020 and the number in force at 30 September 2020

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 Quarter 2 July – September 2020.

Nil granted. Nil in force.

5. **Housing Investigations**

5.1 Members are provided specific details on the outcomes from the work on Housing Investigations. For 2020/21, outcomes are set out below.

5.2 **Quarter 2 2020/21 Housing Investigations**

<table>
<thead>
<tr>
<th>Caseload</th>
<th>19/20 Total</th>
<th>20/21 Total</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Cases brought forward</td>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>New Cases Added</td>
<td>143</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>Cases Completed</td>
<td>154</td>
<td>17</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>On Going Cases - Legal Action</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices Seeking Possession/NTQ served</td>
<td>2</td>
</tr>
<tr>
<td>No of Cases – Recovery of property</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcomes - Closed Cases</th>
<th>19/20 Total</th>
<th>20/21 Total</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convictions</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Properties Recovered</td>
<td>9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Successions Prevented &amp; RTB stopped/agreed</td>
<td>44</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Savings (FTA, Single Person CTax, RTB, Decant)</td>
<td>£1,390,383</td>
<td>£0</td>
<td>£0</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td>Other Potential Fraud prevented/passed to appropriate service block incl Apps cancelled</td>
<td>46</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Referral to others outside of LBBBD</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No further action required/insufficient evidence</td>
<td>55</td>
<td>11</td>
<td>6</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>19/20 Total</th>
<th>20/21 Total</th>
<th>Qtr 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Protection Requests</td>
<td>29</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Education Checks</td>
<td>430</td>
<td>132</td>
<td>129</td>
</tr>
</tbody>
</table>

(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 As with the first quarter, the second has proved challenging for undertaking Housing investigations. The team are reliant on visiting tenants and residents to clarify information and confirm occupation; this was stopped at the beginning of April following the guidance provided by Government.

6.2 The team have continued to undertake desk-based investigations where possible and flagging addresses that will ultimately require a visit when restrictions are lifted.

6.3 Work began in August to complete the Covid Risk Assessment and is still ongoing. Once complete this should allow staff to undertake visits to specific properties, while following the agreed risk assessment.

7. Financial Issues

Implications completed by: Katherine Heffernan, Group Manager Service Finance

7.1 The team is fully funded and there are no financial implications impacting on this report.

8. Legal Issues

Implications completed by: Dr Paul Feild, Senior Governance Solicitor
8.1 The Accounts and Audit (England) Regulations 2015 section require that:
a relevant authority 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; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

8.2 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.

8.3 Counter Fraud practices set out in this report address the need to counter fraud, money laundering, bribery and the proceeds of crime. The Council’s policies guide on the investigatory and prosecution process. In formulating the policies it addresses the issue of corruption and bribery. Corruption is the abuse of entrusted power for private gain. The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

8.4 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.

Public Background Papers Used in the Preparation of the Report: None.
Appendices: None.
Title: Corporate Risk Register Update

Open Report | For Discussion & Agreement
---|---
Wards Affected: None | Key Decision: No

Report Author: Christopher Martin, Head of Assurance | Contact Details:
Tel: (020) 8227 2174
E-mail: Christopher.Martin@lbdd.gov.uk

Accountable Strategic Leadership Director: Fiona Taylor, Acting Deputy Chief Executive

Summary:
This report provides an update on the Corporate Risk Register.

Recommendation:
The Audit & Standards Committee is asked to note the contents of the report.

1. **Background**

1.1. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant strategic and operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

1.2. Risk management is concerned with evaluating the measures in place, and the actions needed, to identify and control risks effectively. The objectives are to secure the Council’s assets and to ensure the Council’s continued financial and organisational wellbeing.

1.3. Risk offers both significant potential positive and negative impacts on delivery and reputation and it therefore follows that a key organisational challenge facing the Council is embedding risk as part of the organisation’s decision making process both in day to day operational situations and at the strategic level.

2. **Risk Management**

2.1. The LBBD Risk Management vision is that the Council will have a robust system of risk management in place to identify, assess and manage the key risks in the Borough that may prevent it achieving the priorities identified in the Corporate Plan. Effective risk management is a key management tool for LBBD that is used to understand and optimise the benefits it can generate from calculated risk taking, as well as helping to avoid and manage unwanted surprises.

2.2. This report provides an update on how strategic risk continues to be monitored and managed. Details of the process are set out in the LBBD Risk Management Approach which was approved by Cabinet on 17th September 2019.

2.3. The Council’s approach to corporate risk management is to embed risk ownership across the organisation so that it is the responsibility of all managers and teams to
manage risk. The Council's Head of Assurance is responsible for Risk Management strategy, advice and support but is not responsible for managing risks.

2.4. Directors and Heads of Service ensure that risks within their area are recorded and managed appropriately, in line with the risk management framework. The Corporate Assurance Group regularly review and monitor the approach to risk management.

2.5. Risk Registers will form part of the service plans and are designed to be dynamic documents, being updated regularly. The Corporate Risk Register covers risks which affect our ability to achieve long-term Council objectives. Risks can be escalated from service risks up to the Assurance Group for inclusion in the Corporate Risk Register or moved down as required.

3. Corporate Risks

3.1. The Senior Leadership Team has reviewed all their current key risks to achieving the Council’s objectives. This section provides a summary of progress being made in moving towards the desired level of risk for each entry in the Corporate Risk Register.

3.2. There were 14 Corporate Risks at the last review and again 14 this time. There has however been one risk removed from the Corporate Risk Register (Brexit) and one addition (Enterprise Resource Planning).

3.3. Brexit – There was previously an identified corporate risk around the withdrawal of the United Kingdom from the European Union. This risk was that “Rapid population change, acute deprivation and inequality of outcomes compared to the rest of London, in addition to the Borough supporting Leave in the referendum, could lead to significant resident dissatisfaction if the final outcome of Brexit is not in line with resident expectations, resulting in increasing community tensions and potentially increasing the demand for services if it leads to an economic downturn”.

3.4. Now that the United Kingdom has formally left the European Union, albeit with the introduction of a transition period, the risk of a further referendum or a reversal of the decision to leave would appear unlikely. The risk has therefore been de-escalated from the corporate register and the impact of the remaining Brexit related challenges such as contracting, information security and the economy are considered as part of the remaining risks listed separately.

3.5. Enterprise Resource Planning - The Council’s Oracle ERP solution manages and reports upon HR, Payroll, Finance, Purchasing, Expenses and Debtors activities across the organisation as well as some schools & external organisations for whom the Council provides services. The current release - Oracle 12.1.3 - will not be supported after December 2021 and costs will increase when our hosting partner, London Borough of Brent, moves off this release on or before that date.

3.6. The following Corporate Risk has therefore been added to the register – “A failure to procure and implement an appropriate ERP system in a timely manner could impact the Authority’s ability to properly manage its resources, leading to costly workaround solutions”. The risk owner is the Finance Director and Section 151Officer.

3.7. Covid-19 Pandemic – There was discussion amongst the Senior Leadership Team as to whether to incorporate the pandemic as a specific corporate risk. Effective risk management involves understanding, managing and monitoring the cause, event and consequence of any declared risk and as such a decision has been made to incorporate consideration of the pandemic into the other corporate risks rather than as a standalone risk and allocating an individual risk owner. The pandemic affects the
Council in many ways and from a risk perspective these are best considered in terms of their impact on the strategic risks that are already being managed.

3.8. Each Risk Owner has assessed their risk for the following:

- Gross Risk (the impact and likelihood of the risk with no controls in place);
- Net Risk (the impact and likelihood of the risk with current controls in place); and
- Target Risk (the impact and likelihood of the risk, once all further actions have been implemented).

3.9. There are 14 Corporate Risks with results as follows:

1. **Population Change** (Risk Owner: Director of Policy & Participation) - An inability to understand how the population of Barking and Dagenham is changing and developing, could mean LBBD does not have the required social infrastructure to meet the needs of its community, resulting in unsatisfied residents and reputational damage.

   Risk Direction of Travel – improvement

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
</table>

2. **Financial Management** (Finance Director) - Unrealistic financial modelling of grant or company income and benefits may lead to the Authority’s funding model no longer being sufficient, resulting in an inability to provide key services and severe reputational damage.

   Risk Direction of Travel – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
</table>

3. **Significant Incident in the Community** (Director of Law, Governance & HR) - A significant incident in the local community, in the context of the current high level of community tensions or a major public catastrophe, may lead to an eruption of civil disobedience, resulting in harm to residents, significant damage to council property, financial loss and a loss of confidence in the council.

   Risk Direction of Travel – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
</table>

4. **Safeguarding Failures** (Director of People & Resilience) - Staff not properly following safeguarding processes, for example due to the pressure of high caseload levels, could ultimately result in the death or serious injury of a child or vulnerable adult, resulting in loss of public faith, reputational damage, high financial costs and challenge and scrutiny from governing bodies.

   Risk Direction of Travel – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
</table>
### 5. Development of the Third Sector

(Director of Policy & Participation) - A small Third sector may mean the Authority is unable to sufficiently reduce demand for its own services, leading to unsatisfied residents, increased costs and ultimately a failure to meet performance targets.

**Risk Direction of Travel** – improvement

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

### 6. Investment Decisions

(Finance Director) - A high number of investment decisions requiring quick turnarounds, coupled with a constraint on the level of relevant skills and resources to properly review these, could lead to inappropriate investment decisions being made, resulting in both financial and reputational damage, in addition to affecting the progress of developments to the council’s physical infrastructure.

**Risk Direction of Travel** – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### 7. Economic Downturn

(Finance Director) - A large shock to the UK economy or a significant economic downturn could impact the Authority’s ability to obtain the ambitious financial returns it requires from its wholly owned companies (such as BeFirst), leading to constraints on its available funding.

**Risk Direction of Travel** – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

### 8. Contract Management

(Commercial Director) - The current lack of resources and skills in the Authority to manage its major contracts may mean that the contracts do not deliver on the agreed objectives, leading to a failure to deliver services to residents and significant financial loss.

**Risk Direction of Travel** – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### 9. Information Security

(Chief Information Officer) - A data handling error by a member of staff or a contractor, could lead to the exposure of a substantial amount of residents’ information to unauthorised individuals, resulting in significant reputational damage, investigations by the ICO and other bodies and potential fines.

**Risk Direction of Travel** – no change

<table>
<thead>
<tr>
<th>Gross Risk</th>
<th>Net Risk</th>
<th>Target Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
10. Recruitment & Retention of Staff (Director of Law, Governance & HR) - A lack of perceived investment in staff and wider remuneration, due to increasing financial pressure on the Authority, may make it difficult to recruit and retain sufficiently. This may be more likely at Director and senior management level, as well as hard to recruit roles. This potentially could lead to impacts on service delivery, financial costs if roles have to be covered by interims and could lead to a significant loss of knowledge within the Authority.

Risk Direction of Travel – improvement

11. Vision & Cultural Change (Chief Executive) - LBBD’s leadership not clearly articulating the benefits of the current strategy and required transformation as detailed in the Corporate Plan, could lead to pressure from Councillors or residents to adjust the Authority’s priorities and objectives, which may lead to sub-optimal allocation of resources and a failure to meet performance targets as well as staff not making the required cultural changes, resulting in the council being unable to deliver on its priorities.

Risk Direction of Travel – improvement

12. Data Centre Failure (Chief Information Officer) - A catastrophic failure of the data centre where LBBD’s data is stored could prohibit the Authority from carrying out its day-to-day operations, resulting in residents not receiving services, significant financial implications and severe reputational damage.

Risk Direction of Travel – no change

13. Damage to Physical Assets - A significant incident within Barking and Dagenham, such as a major fire or terrorist incident, may lead to damage to the Authority’s physical assets, resulting in incident management and repair costs, temporary loss of services and inconvenience to residents.

Risk Direction of Travel – no change
14. **Enterprise Resource Planning** - A failure to procure and implement an appropriate ERP system in a timely manner could impact the Authority’s ability to properly manage its resources, leading to costly workaround solutions.

Redefinition of Travel – N/A new risk

3.10 The Net Risk for each of the 14 corporate risks (i.e. the impact and likelihood of the risk with current controls in place) has been plotted on the matrix below for identification of their relative current concern:

![Risk Matrix](image)

**4. Financial Implications**

*Implications completed by: Katherine Heffernan, Group Manager - Finance*

4.1. Risk Management is an integral part of good management and should be embedded in the day to day work of all Council officers and managers and delivered within existing resources. In addition, there are specific fully funded posts within the Finance service that support this work. There are no further financial implications arising from this report.

**5. Legal Implications**

*Implications completed by: Dr Paul Feild, Senior Governance Solicitor*

5.1. To reiterate the main body text of this report, risk management is a key role for the organisation across the board for Members, Chief Officers and the teams. As an example, local authorities have a specific leadership role to plan for, be prepared and able to take action to respond to an emergency under the Civil Contingencies Act 2004.
5.2. Furthermore, if a risk is identified and reasonable measures are not taken to mitigate its likelihood of occurrence and if it is preventable, such as for example a tree on the highway was dangerously leaning over, the Council should take action and cut it down before it causes harm. To fail to do so could lead to legal liability to pay compensation for negligence and the reputational damage in not having taken steps to reduce the risk of occurrence and the magnitude of an event. To carry out risk assessments and to devise and implement risk occurrences, elimination and mitigation is therefore a core activity for management.

Public Background Papers Used in the Preparation of the Report: None.

Appendices: None.
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Title: Counter Fraud Policies & Strategy 2020

Report of the Acting Deputy Chief Executive and Director of Law, Governance & HR

Open Report For Information

Wards Affected: None Key Decision: No

Report Author: Kevin Key, Counter Fraud Manager

Contact Details:
Tel: 07870278102
E-mail: Kevin.Key@lbbd.gov.uk

Accountable Strategic Leadership Director: Fiona Taylor, Acting Deputy Chief Executive and Director of Law, Governance & HR

Summary

To ensure proper arrangements to administer the Council’s financial affairs, the Council has adopted key policies and a strategy to combat fraud and irregularity. These policies were approved by Cabinet and to further strengthen their importance, as part of robust governance, recommended for review annually.

Recommendation(s)

The Audit and Standards Committee is recommended to:

(i) Note the Council’s updated Counter Fraud Policies and Strategy.

Reason(s)

To assist the Council in achieving its priority of “A New Kind of Council” through continued fraud detection arrangements.

1. Introduction

1.1. The Counter Fraud Team maintains a suite of counter fraud policies and a strategy to support the Council’s strong stance against fraud, thus maintaining proper arrangements for stewardship of the Council’s finances and assets.

1.2. The policies were initially approved by Cabinet in January 2012 and in line with the Council’s robust stance on governance are to be reviewed annually by the Audit and Standards Committee. This report sets out the latest versions and a summary of their purpose.

1.3. Changes have been made to the Regulation of Investigatory Powers Act (RIPA) Policy to reflect the register of trained persons that is now held by the RIPA Monitoring Officer.
Only officers who have undertaken the appropriate training appear on this register and only the officers on the register are authorised to make RIPA applications.

1.4. Changes have also been made to the policies to reflect the evolving nature of the Council and associated structures.

1.5. These policies apply to all officers of the Council. In the spirit of raising fraud awareness they will also be promoted to and where applicable applied by the Council’s partners such as the Council-owned companies, contractors and schools.

2. Purpose of the Policies/Strategy

2.1 A brief description is set out in the table below. The latest version is set out in the Appendices to this report.

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Document</th>
<th>Brief Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Counter Fraud Strategy</td>
<td>Sets out the Council’s commitment to reducing opportunities for fraud and corruption across all council services and taking the strongest possible action against those who seek to defraud the Council.</td>
</tr>
<tr>
<td>B</td>
<td>Counter Fraud Policy including Fraud Response Plan</td>
<td>Sets out how the Council responds to fraud and the changing risk profile of fraud and includes guidance on what to do if an employee suspects fraud.</td>
</tr>
<tr>
<td>C</td>
<td>Prosecution Policy</td>
<td>Sets out the Council’s approach to seeking redress/sanction against those who seek to defraud the Council, linking to the Disciplinary rules where the perpetrator is a member of staff.</td>
</tr>
<tr>
<td>D</td>
<td>Money Laundering Policy</td>
<td>Sets out the Council’s commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 &amp; 2012 and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.</td>
</tr>
<tr>
<td>E</td>
<td>Whistleblowing Policy</td>
<td>In accordance with the Public Disclosure Act 1998 (as amended by the Enterprise and Regulatory Reform Act 2013), sets out how workers can raise serious or sensitive concerns about other members of staff, suppliers, or people who provide services with protection from harassment, victimisation or bullying as a result of them raising concerns.</td>
</tr>
<tr>
<td>F</td>
<td>Regulation of Investigatory Powers Policy</td>
<td>Sets out rules and procedures for undertaking and gaining authorisation for covert surveillance in accordance with the RIPA Act 2000 (as amended by the Protection of Freedoms Act 2012) and compliant with Human Rights &amp; Data Protection Legislation.</td>
</tr>
<tr>
<td>G</td>
<td>Bribery Act Policy</td>
<td>Sets out the Council’s commitment to the prevention, deterrence and detection of</td>
</tr>
</tbody>
</table>
3. Raising Awareness

3.1 Counter Fraud Policies and the Strategy are made available on the Council website and staff intranet. Awareness raising, training and briefings are also targeted at specific groups of staff through channels such as face-to-face, e-bulletins/e-learning and posters on staff notice boards and computer screens.

4. Financial Implications

*Implications completed by: Katherine Heffernan, Group Manager - Finance*

4.1 The maintenance and regular review of appropriate anti-fraud and related policies is a key part of the Council’s overall approach to robust control and strong financial management. The Council has an Audit and Assurance service which is fully funded and the application of the policies can be delivered from existing resources.

5. Legal Implications

*Implications completed by: Dr Paul Feild, Senior Governance Solicitor*

5.1 The Accounts and Audit (England) Regulations 2015 section require that:

- a relevant authority 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; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.

5.2 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.

5.3 Counter Fraud practices set out in this report address the need to counter fraud, money laundering, bribery and the proceeds of crime. The Council’s policies guide on the investigatory and prosecution process. In formulating the policies, it addresses the issue of corruption and bribery. Corruption is the abuse of entrusted power for private gain. The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

5.4 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.
6. **Other Implications**

6.1 **Risk Management** – Counter Fraud activity is risk-based and therefore supports effective risk management across the Council.

**Public Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

A – Counter Fraud Strategy  
B – Counter Fraud Policy including Fraud Response Plan  
C – Prosecution Policy  
D – Money Laundering Policy  
E – Whistleblowing Policy  
F – Regulation of Investigatory Powers Policy  
G – Bribery Act Policy
Counter Fraud Objective

To create a culture and organisational framework, through a series of comprehensive and inter-related procedures and controls, which maximises the deterrence of fraud, minimises the incidence & impact of fraud against the Council, and ensures, through professional investigation, effective outcomes including sanctions and redress against those who defraud the Council. The Strategy is based on the following principles:

<table>
<thead>
<tr>
<th>Acknowledge responsibility</th>
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<tbody>
<tr>
<td>The Council has ensured that fraud risks are managed effectively across the whole organisation.</td>
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</table>

<table>
<thead>
<tr>
<th>Identify risks</th>
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</thead>
<tbody>
<tr>
<td>We use fraud risk to understand specific exposures, changing patterns in fraud and corruption threats and the potential consequences to the Council and its service users.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Develop a strategy</th>
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<tbody>
<tr>
<td>We have set out the Council approach to managing fraud risks and defining responsibilities for action.</td>
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</table>

<table>
<thead>
<tr>
<th>Provide resources</th>
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<tbody>
<tr>
<td>We have appropriate resources to support the counter fraud strategy.</td>
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</table>

<table>
<thead>
<tr>
<th>Take action</th>
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<tbody>
<tr>
<td>We have a suite of policies to support the counter fraud strategy and act to deter, prevent, detect and investigate fraud.</td>
</tr>
</tbody>
</table>

Links to Corporate Objectives

The vision for the Borough is One borough; one community; London’s growth opportunity. To achieve the Vision, the Council’s priorities are:

- Encouraging civic pride;
- Enabling social responsibility; and
- Growing the borough.

This Strategy ensures resources are correctly applied in the provision of high-quality services and initiatives that deliver these Corporate priorities.

Resources & Skills

The Assurance Group will investigate all issues of suspected fraud and irregularity and promote the counter fraud agenda through proactive and preventative activities. All investigators are professionally accredited and undertake appropriate continuous professional development. The authority for the Assurance Group to investigate is
enshrined in the Council’s Constitution and Financial Rules and provide authority to have access to all records, and to all council premises.

Investigations into allegations of housing fraud allow staff to utilise powers under Section 4 of the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014 as appointed Authorised Officers.

The Assurance Group has access to an Accredited Financial Investigator to enable redress under the Proceeds of Crime Act (POCA). Any monies recovered will be used to further promote counter fraud across the Council.

**Responsibility**

The Assurance Group will champion the tough stance against fraud and promote counter fraud across the Council, its Members, staff, contractors, partner agencies and service users. Professional investigators will work in accordance with relevant codes of practice and Council policies, while always maintaining confidentiality, complicity with the employee code of conduct and guidelines of relevant legislation.

**Liaison**

The Assurance Group will utilise all methods available to detect fraud. Arrangements are in place to actively participate in the National Fraud Initiative (NFI) as well as continuing to develop and support initiatives that involve the exchange of information and data matching between the Council and other agencies.

In addition, we will work with colleagues in other Local Authorities and utilise counter fraud networks such as LBFIG, LAG and CIPFA Counter Fraud Centre.

**Taking Action and Supporting Policies**

**Deterrence**

We will publicise our counter fraud measures to promote the deterrent message, including the effectiveness of controls including the governance framework, arrangements that are in place to detect fraud, the professionalism of those who investigate fraud, the Council’s success in applying proportionate sanctions and the prompt, effective recovery of losses.

**Prevention**

The Assurance Group works to support management in assessing compliance with the Council’s policies and ensuring that adequate levels of internal control are included in operational procedures. The Assurance Group will advise and promote awareness on the importance of considering fraud risks as part of good governance arrangements as well as managing the changing risk profile of fraud in order to tackle new areas.

**Detection**

In addition to maintaining channels for the report of fraud, the Assurance Group will proactively use all legal and cost-effective means to detect fraud, including working with other organisations and participating in national data matching schemes.
Investigation
We will investigate all allegations of fraud in line with our polices and adhering to relevant legislation. Outcomes from investigations will include recommendations as well as necessary changes to systems and procedures to ensure that similar frauds will not recur.

Recovery and Sanctions
Where fraud is identified we will seek to recover losses and prosecute or apply other sanctions to perpetrators. Where fraud by employees is indicated, then action will be taken in accordance with the Council’s disciplinary procedures. This may be in addition to any civil recovery action or sanctions.

Redress
Compensation, or confiscation, under proceeds of crime legislation will be sought wherever appropriate in accordance with the Prosecution Policy. Our aim is to ensure that those who seek to defraud the Council do not profit from their criminal activity.

Policies
All Counter Fraud work will be undertaken in accordance with relevant policies as follows:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counter Fraud Policy including Fraud Response Plan</td>
<td>Our commitment to reducing opportunities for fraud and corruption across our services and taking the strongest possible action against those who seek to defraud us.</td>
</tr>
<tr>
<td>Prosecution Policy</td>
<td>Our approach to seeking redress/sanction against those who seek to defraud the Council.</td>
</tr>
<tr>
<td>Whistleblowing Policy</td>
<td>Our commitment to the Public Disclosure Act 1998 and supporting staff who raise concerns about various serious issues.</td>
</tr>
<tr>
<td>Bribery Act Policy</td>
<td>Our commitment to the Bribery Act 2010</td>
</tr>
<tr>
<td>Proceeds of Crime Act 2002 Policy</td>
<td>This Policy has moved to Regulatory Services under the Service Manager - Financial Investigations. The Policy sets out our approach to applying procedures under POCA.</td>
</tr>
</tbody>
</table>

Review & Assessment/Quality Assurance
The strategy and associated polices will be reviewed annually and assessed against best practice across local authorities. The outcomes from counter fraud work will be periodically reported to Members of the Audit & Select Committee and outcomes assessed to evaluate success.
The Council’s commitment to the Counter Fraud Policy

The London Borough of Barking & Dagenham, “the Council”, carries out its responsibilities and delivers high quality services to the local community. The immense variety of service provision places the Council at risk of loss from fraud perpetrated both internally and externally. The Council takes a tough stance against Fraud and considers this Policy, and associated strategy, to be an integral part of our approach.

What are the aims and requirements of the Policy?

Where Fraud is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Counter Fraud Policy. It will be investigated fully, and the Council will prosecute all offenders, where appropriate, including Members, employees, contractors, agency staff, consultants, suppliers and partners.

Who is governed by this Policy?

The Counter Fraud Policy applies to all staff including, and not limited to, temporary staff, sessional staff, consultants and contractors. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes and sheltered accommodation as well as anyone who seeks to commit fraud against the Council.

Executive Summary

The Counter Fraud Policy makes clear the Council’s commitment to reducing opportunities for fraud and taking the strongest possible action against those who seek to defraud the Council.

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Counter Fraud Policy

The Council is responsible for the proper administration of its finances. This not only includes direct income and expenditure but also monies administered on behalf of the Government, our clients and for which the Council is the responsible accountable body. Anyone can potentially commit fraud, both inside and outside the organisation, and this can be targeted on all sources of income and expenditure and our valuable assets.

The Council aims to set high standards of service provision and is committed to upholding the reputation of the Authority and maintaining public confidence in its integrity. The expectation is that Members (Elected Councillors) and staff, at all levels, will adopt the highest standards of propriety and accountability and will lead by example. That same expectation is extended to individuals and organisations that encounter the Authority insofar they will act with integrity and without intent, or actions, involving fraud.

To achieve its aims and objectives the Council will therefore take a firm stance against any individual, group or organisation committing acts constituting theft, fraud, corruption, financial irregularity or malpractice (or other form of wrongdoing), whether it is attempted against, from or within the Council. In fulfilling our responsibilities to protect the public funds we administer; the Authority recognises the responsibilities placed upon it by statute and will actively promote this Policy which is designed to:

- Promote standards of honest and fair conduct;
- Encourage prevention of fraud;
- Maintain strong systems of internal control;
- Promote detection;
- Take a tough stance against fraud and bring to justice all persons who commit acts of fraud against the Council; and
- Recover any losses incurred by the Council.

The Counter Fraud Culture and Deterrence

The culture of the organisation is one of honesty, openness and opposition to fraud. Members play a key role in maintaining and promoting this culture. Specifically, the Audit & Standards Committee is responsible for promoting high standards of conduct by Members, employees, its contractors and partners.

Members have a duty to ensure that Council assets are adequately safeguarded from fraud and abuse and to ensure that the Council’s powers, duties and responsibilities are exercised in an open fair and proper manner to the highest standards of probity.

The Members and employees are an important element in the Council’s stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with a Council activity.
Members of the public are also able to report concerns to appropriate Council officers or relevant external agencies such as the Police, External Audit, and the Local Government Ombudsman.

The Public Interest Disclosure Act 1998 provides protection for those who voice genuine and legitimate concerns through the proper channels. The Council has adopted a Whistleblowing Policy to ensure a defined route to bring alleged instances of fraudulent, unlawful or otherwise improper conduct to the Council’s attention. As well as the Whistleblowing Officer, this can involve Fraud Team, or the employee’s line manager or Divisional Director or, if more appropriate, an officer external to the individual’s department.

An ongoing proactive programme of work, including counter fraud awareness training and support, will be undertaken each year, using a risk-based approach to prioritise areas inherently at risk from fraud, outcomes from which will be publicised as appropriate. A pound lost through fraud is a pound that is stolen from Barking and Dagenham residents and reduces the amount available to spend on delivering services to residents.

The underlying message is that this Council will not tolerate fraudulent activity.

Prevention – Managing the Risk of Fraud

Fraud is costly in terms of financial loss and reputational risk. The risk of loss can be reduced through robust preventive measures and procedures such as: Internal Control systems, Standing Orders & Financial Regulations, Employee Code of Conduct, Disciplinary Rules and a Members Code of Conduct.

The Chief Operating Officer has been delegated powers to control and regulate the Council’s finances. These include the promotion of systems and practices to minimise the risk of fraud. An important part of the control framework is the maintenance of an effective internal and external audit of the Council’s finances that operate to the best practice standards at any given time.

Managers, Contractors, Employees & Members

The effective eradication of fraud starts with managers. It is the responsibility of all Council managers to ensure that they manage the risk of fraud within their respective work areas. Managers are expected to be fully conversant with fraud risks (internal and external) and maintain robust controls within their service areas to mitigate these, and when considering the risk of fraud, should take the following steps:

Identify the risk areas

Managers must establish which parts of the service are most vulnerable to fraud e.g. letting or managing contracts, handling cash, allocating or distributing grants, ordering equipment, paying invoices, validating documentary evidence in support of claims for benefits etc. Other risks include assessing declared staff interests and considering whether such interests conflict with the Council’s interests or would undermine public confidence in the Council.
Appendix B

**Allocate responsibility for the risk**
Managers must identify who has responsibility for managing each risk and ensure that the officer concerned has adequate training, support and expertise to manage the risk effectively.

**Identify the need for controls**
Managers must evaluate the adequacy of existing controls and establish what further controls or changes are required to reduce or eliminate the risk of fraud. In addition, managers should utilise internal audit reports, internal investigation findings, and any other resource to help ensure that there is full compliance with the Regulatory Framework, local procedures and any relevant legislation.

**Implement the revised controls effectively**
Managers must ensure that the revised controls are cost effective and that written procedures are updated informing staff and customers of any changes that affect them. Staff will need to be trained in the use of revised controls and procedures. Managers must also identify any continued weaknesses and adjust as necessary.

**Evaluate the effectiveness of controls**
Managers should periodically assess the effectiveness of the controls and evaluate whether the risk of fraud has been eliminated or reduced. Advice and support on managing risk, evaluating possible conflicts of interest, or the development or evaluation of controls can be obtained from the Assurance Group.

Any system weaknesses identified as a result of fraud investigations will be reported to the relevant Service Manager, as well as the Head of Assurance, and addressed through an agreed action plan. The relevant Service Manager will be responsible for implementing the action plan. Internal Audit can take on a monitoring role, addressing failures to implement recommendations to the relevant Senior Manager in addition to reporting major system failures, remedial action plans and instances of non-compliance to the Audit & Standards Committee.

**Contractors**
It is expected that the Council’s contractors, and partners, will have adequate controls in place to minimise fraud. We will however raise fraud awareness with our partners as deemed necessary to help them implement robust controls to protect the funds/assets they administer.

Contractors and partners are also expected to have adequate recruitment procedures in place covering requirements under the Immigration and Nationality Act, disclosure & barring checks and stringent vetting in relation to employment history and references. This expectation will form part of all contract terms and conditions.

**Employees - Recruitment and Conduct**
It is recognised most staff are conscientious and hardworking and whose conduct is beyond reproach. However, where it becomes evident fraud has taken place, action will be taken in accordance with the Council’s Disciplinary Rules. Fraud is a specific
instance of gross misconduct and will therefore be treated very seriously. It could involve criminal or civil proceedings as appropriate.

The Council recognises that a key preventative measure is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity. Temporary and agency employees will be treated in the same way.

Staff recruitment is required, therefore, to be in accordance with the Council’s recruitment and selection policies and written references of potential employees must, wherever practicable, be obtained before employment offers are made. Criminal records will be checked and disclosed prior to appointment in accordance with the Council’s Policy.

Employees of the Council are expected to follow the Employees’ Code of Conduct and any other Code related to their personal Professional Body.

Employees must comply with their statutory obligations regarding pecuniary interest in Contracts relating to the Council or fees and rewards other than proper remuneration. They are also required to declare any interests which they have that might be seen to conflict with the impartial performance of their duties.

Members (Elected Councillors)

Members are expected to conduct themselves in a way that is beyond reproach, above suspicion and fully accountable by acting in a manner that sets an example to the community they represent and employees who implement their policy objectives.

Members are required to operate within the Council Constitution and Member Code of Conduct with the Standards Committee taking on responsibility of advising and training members relating to these codes. These matters are specifically brought to the attention of Members are also made aware of the declaration and registration of potential areas of conflict between Members’ Council duties and responsibilities and any other areas of their personal or professional lives.

Detection and Investigation (to be read alongside the Fraud Response Plan)

While the Council has preventative internal control systems which are generally sufficient in themselves to deter fraud, it is often the alertness of employees, Members and the public that enables detection to occur and the appropriate action to take place when there is evidence that fraud may be in progress.

Employees must report any suspected cases of fraud to the appropriate manager, or, if necessary, direct to the Counter Fraud Manager. The Fraud Response Plan appended to this policy provides guidance on what to do when an individual suspects fraud has, or is, taking place.

Reporting cases in this way is essential to the Counter Fraud Policy and makes sure that suspected cases of fraud are investigated properly, a standard process is followed and all connected persons, and the Council’s interests, are protected.
Appendix B

The Counter Fraud Team is at the forefront of the Council’s fight against fraud and will examine all allegations of theft, fraud and financial malpractice, corruption and behaviour likely to adversely impact on the finances or integrity of the Council, its Members and employees. This extends to allegations against organisations funded by the Council or those with whom the council has a contract and those who receive council services.

It is expected that the Council’s partners will provide full and unrestricted access to their financial records relating to the council finances and the co-operation of their staff with any investigation. In addition, personnel records of any person suspected of involvement in fraud against the council will also be made available to the Counter Fraud Team.

Referral to the Police will be undertaken in consultation with the Head of Assurance and in accordance with the Council’s Prosecution Policy, alongside any need to obtain further evidence or in cases, such as serious organised crime, where the matter cannot be pursued in house. In cases involving Members, the Standards Committee would determine the issue of Police involvement. Complaints of misconduct under the Members Code of Conduct will be dealt with in accordance with the Standards Committee’s arrangements.

Recovery, Sanction and Redress

The strongest available sanctions will be applied to all who commit fraud against the Council, its clients or the public purse. This may include disciplinary action, prosecution and civil proceedings or a combination of all three. Where appropriate to do so, recovery of losses/compensation will be sought and confiscation of proceeds of crime pursued in accordance with relevant legislation. This also applies to employees who defraud or steal from the Council’s clients. Disciplinary action will also be taken against staff found to have committed fraud against other Local Authorities, or any other agency administering public funds. The decision regarding sanctions will be taken on a case by case basis having regard to the Disciplinary Rules and Prosecution Policy.

Contractors, or partner organisations, will be expected to take appropriate action against the individual(s) concerned with the ability to request removal of staff considered in contract terms.

Sanctions imposed in relation to cases of fraud involving Members, will be imposed by the Standards Committee in accordance with powers bestowed under appropriate Regulations.

Definitions

What is theft?

Under section 1 of the Theft Act 1968 “A person is guilty of theft if: he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.”
Appendix B

Examples include stealing property belonging to the Council or which has been entrusted to it, such as cash, equipment, vehicles and data as well as stealing property belonging to our staff or members whilst on council premises.

Under section 24A of the Theft Act 1968, a person is also guilty of theft where ‘they dishonestly retain a wrongful credit’. For example, where they do not report and repay an overpayment of salary or advance.

What is fraud?

The Fraud Act 2006 introduced the first legal definition of fraud as the intention to make a gain for oneself or another or to cause loss to another/expose another to a risk of loss by dishonestly making a false representation, dishonestly failing to disclose to another person information which he/she is under a legal duty to disclose or occupies a position in which he is expected to safeguard or not to act against the financial interests of another person and dishonestly abuses that position.

Fraudulent acts may arise from:

- Systems Issues - where a process/system exists which is prone to abuse by either employees or members of the public.
- Financial Issues - where individuals or companies have fraudulently obtained money from the Council such as falsification of expense claims, theft of cash and alteration of records to conceal deficiencies, falsification of invoices for payment or failure to account for monies collected.
- Equipment Issues - where Council equipment is used for personal reasons such as the personal use of council vehicles.
- Resource Issues - where there is a misuse of resources such as theft of building materials or working in a private capacity during contracted hours or whilst sick.

What is corruption?

Corruption is defined as the abuse of a position of trust to gain an undue advantage for oneself or another. Corruption can occur in tendering and awarding of contracts, appointment and reward of external consultants, awarding permissions, planning consents and licenses.

What is Bribery?

Bribery is defined as a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such an activity. This area is covered in greater depth by the Bribery Act Policy.

Further Support & Guidance

If there are any questions about these procedures, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lbbd.gov.uk or by visiting our intranet pages.
Appendix 1 Fraud Response Plan

The London Borough of Barking and Dagenham is committed to developing a culture of honesty and a tough stance against fraud.

The purpose of this document is to demonstrate and set out the procedures to be followed where theft, fraud or corruption is suspected or detected. It is part of the Council’s overall Counter Fraud Policy. It therefore applies to all Members (elected Councillors) and all personnel whether staff of the London Borough of Barking and Dagenham, consultants, agency staff or contractors.

It also provides a framework for responding that enables evidence to be gathered and collated in a way which facilitates an informed initial decision and ensures that any evidence gathered will have been lawfully obtained and will be admissible if the matter proceeds to criminal or civil action.

This document is not an investigation procedure for staff. If you suspect fraud it is vital that you follow the guidance in this plan and report your suspicions to the Assurance Group. Neither does this document provide guidance on fraud prevention. It is quite simply a brief guide on “what to do if you become aware of fraud” and tells you how the Council will respond to suspected or actual occurrences of fraud.

Roles & Responsibilities in Respect of Fraud

All staff and Elected Members have duties under the Council’s Corporate Governance arrangements to prevent and detect occurrences of fraud and have a responsibility to ensure compliance with relevant legislation in discharging these duties.

The Assurance Group will maintain a log of all reports, detail actions taken, and conclusions reached, and report periodically to Members of the Audit & Standards Committee.

The Assurance Group will ensure a consistent approach to the conduct of any investigations into matters reported and that proper records of each investigation are kept from the outset, including accurate notes of when, where and from whom evidence was obtained, and by whom.

Where a member of staff is to be investigated, the relevant Chief Officer and Departmental Human Resources Officer will be informed. Normally, the member of staff’s line manager will also be informed unless this is deemed to be inappropriate given the circumstances of the case.

If a suspicion is reported to a manager, s/he must pass that suspicion on to the Assurance Group immediately. Any delay could compromise subsequent investigations.

What should staff do if they suspect fraud?

Employees are often the first to become aware that there is something seriously wrong within the Council.
Appendix B

If you suspect or become aware of fraud or any other illegal act against the Council, there are several avenues through which your concerns should be reported.

Initially your concerns should be brought to the attention of your line manager. Alternatively, the matter may be raised with the Assurance Group Officers who can advise or discuss the matter informally. You can also report concerns via the Fraud telephone hotline and/or dedicated email address.

If you feel unable to express concerns openly and wish to report concerns in confidence, you may do so in accordance with the Council's Whistleblowing Policy without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

When you become aware that there may be a problem you should:

- Make an immediate written note of your concerns, details of any telephone or conversations you have heard or documents you have seen, and note the date, time, and names of the people involved. These notes should be signed, timed and dated. Timeliness is important because the longer you delay writing up the notes, the greater the chances of recollections becoming distorted and the case being weakened.
- Pass any documents that would normally come into your possession immediately to the Assurance & Counter Fraud Group Officers if this can be done without alerting suspicions; this should include any relevant e-mails.

You should not:

- Ignore the concerns or be afraid of raising them. You will not suffer recriminations from your employer because of voicing a reasonably held suspicion.
- Approach individuals yourself or convey your suspicions to other staff, except those authorised to deal with the matter. There may be an innocent explanation that resolves your concerns. If you have any doubts about who to consult, speak to the Assurance Group Officers first.
- Investigate the matter yourself. There are special rules relating to the gathering of evidence for use in criminal cases. Attempts to gather evidence by persons who are unfamiliar with these rules may jeopardise or undermine the case.
- Discuss it with anyone else after you have reported your suspicions.

What should a member of the public, or partner, do if they suspect fraud?

The Council encourages members of the public who suspect fraud to contact the Assurance Group in the first instance. Suspicions or identified instances of fraud or other wrongdoing against the Council can be reported via a confidential hotline number.

How will allegations of fraud be dealt with by the Council?

The Assurance Group operates independently of other Council services but will pool resources with other stakeholders such as Internal Audit to provide a joined-up
Appendix B

approach to prevention, detection, investigation and prosecution of fraud within the Council.

When allegations are received from staff or the public the Assurance Group will establish at an early stage the action to be taken by the Council; this may depend on the nature of the allegation. The matters raised may be investigated internally; however, allegations of wrongdoing involving a criminal act may shape the way the investigation is handled and by whom.

Within ten working days of a concern being received, the responsible officer will write to the complainant acknowledging that the concern has been received. Details of the investigation and outcomes will not be divulged due to privacy and data protection concerns.

If it appears that a criminal act has occurred or where there is evidence of fraud, the Police may be invited to become involved in accordance with the Council’s Prosecution Policy.

All staff must cooperate fully with any internal enquiry alongside those from the police or other external body.

Where the police are unable to progress a criminal prosecution, e.g. because the burden of proof is insufficient to convince the Crown Prosecution Service to proceed, legal opinion will be sought as to the expediency of civil action particularly in relation to recovering losses.

Alongside any criminal investigation, an internal investigation will be undertaken to:

- Determine the facts
- Consider if the allegation should be dismissed or
- What action should be taken against any staff found culpable
- Consider what action may be taken to recover any losses to the Council which could include civil action
- Identify whether the Council’s systems, controls or procedures need to be improved
- If the outcome of an investigation is that a recommendation is made to refer the employee to a disciplinary Hearing, the Assurance Group Officers will advise the appropriate Service Manager and/or Director and liaise with the Human Resources section to determine the next steps.

A fraud log will be completed detailing every action taken during the investigation, this will include the dates and times that each action undertaken was carried out.

**How we gather and deal with evidence**

The Assurance Group will normally manage investigations and will be responsible for gathering evidence and will seek to establish whether there is any physical evidence that fraud has occurred and collect such evidence, recording the time and place that the evidence was obtained.
Appendix B

Where there are reasonable grounds for suspicion, the police may become involved at an early stage however the Assurance Group may still undertake part, or all, of the investigation on behalf of the police. All employees MUST co-operate with the investigation process. Failure to co-operate with an investigation constitutes a disciplinary offence.

If appropriate, and in accordance with Human Resources policies and their agreement, suspension of officers will be considered to ensure unfettered progress of investigations. It should be noted that suspension is a neutral act and in no way implies guilt of the officer.

It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. Wherever possible original documents should be retained, secured and handled as little as possible. Under no circumstances should they be marked in any way. Computer data must also be secured and should not be viewed by anyone who is not appropriately trained.

All evidence will be obtained lawfully, properly recorded and retained securely in accordance all relevant legislation.

The outcomes of significant internal investigations will be reported to Assurance Board and the Audit & Standards Committee.

**Conducting interviews**

Interviews will be conducted in a fair and proper manner and in accordance with the Council’s Disciplinary Rules. Documentary evidence will be gathered before any interviews are conducted and if it is established there are any witnesses to the events, the Assurance Group will seek to interview and obtain written statements. File notes of all actions and discussions will be maintained. The veracity of the information provided by witnesses and or other evidence documentary or otherwise will determine whether the employee should be interviewed. Where there is a possibility of subsequent criminal action, interviews may be conducted under caution in compliance with relevant legislation.

**Closing the investigation**

The investigation will be concluded by deciding whether there is a case to answer and by making recommendations as to appropriate action in a written report to the relevant manager and/or Director as well as offering recommendations to systems and procedures where appropriate.

All matters investigated will be dealt with in accordance with the Council’s Disciplinary Rules and Code of Conduct for employees. Management will seek advice from Human Resources to establish the correct procedure to progress the matter through the Council’s disciplinary framework and where, appropriate and in line with policy, referral to a Disciplinary Hearing.
Assurance Group

The Fraud Prosecution Policy

June 2020

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The Council’s commitment to the Prosecution Policy

The London Borough of Barking & Dagenham is committed to the protection of public funds through its action against fraud and has adopted a tough stance to fraud and wrongdoing perpetrated against it. The Council will seek application of the strongest possible sanctions against those found to have perpetrated fraud against it.

What are the aims and requirements of the policy?

The aim of this prosecution policy is to deter fraud against the Council. This policy sets out the range of sanctions that may be applied where fraud and wrongdoing is identified and the circumstances relevant to their application.

Who is governed by this Policy?

This policy applies to council employees, contractors and members of the public found to have committed fraud and other wrongdoing against the Council. Disciplinary action will also be taken against Council employees found to have committed fraud against other local authorities or any other agency administering public funds.

Executive Summary

The London Borough of Barking & Dagenham is committed to the protection of public funds through its action against fraud.

In order to reinforce the deterrence message, where fraud and wrong doing is identified the Council will employ disciplinary action (in the case of Staff), civil action or criminal sanctions or a combination of all three in parallel, in accordance with this policy. All references to fraud in this document include any other type of fraud related offence – fraud, theft, corruption and bribery as defined in the Counter Fraud policy.

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Fraud Prosecution Policy

The London Borough of Barking and Dagenham is committed to preventing fraud wherever possible. All allegations of fraud will be taken seriously.

Where fraud is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Counter Fraud Strategy. It will be investigated fully, and the London Borough of Barking and Dagenham will prosecute all offenders, where appropriate, including Members, employees, contractors and external partners, in accordance with this policy.

This procedure will be operated in conjunction with the London Borough of Barking and Dagenham’s disciplinary procedures and all employees will be subject to disciplinary action as well as any prosecution process.

Where there is clear evidence that a fraudulent, or corrupt, act has been committed the following will be considered before a case is considered for prosecution:

- The seriousness of the case;
- The level of evidence available;
- The level of money or misappropriated assets involved; and
- Whether the public interest will be served.

In assessing a case for prosecution, the following tests will be applied:

- **The Evidential Test**: To ensure sufficiency of evidence to provide a realistic prospect of conviction

- **The Public Interest Test**: To determine whether it would be in the public interest to proceed

A prosecution will usually be pursued unless there are public interest factors against prosecution which clearly outweigh those tending in favour. To pass the public interest test, the Assurance Group will balance carefully and fairly the public interest criteria as detailed in ‘The Crown Prosecution Service’s Code for Crown Prosecutors 2010’ against the seriousness of the offence.

The public interest criterion includes:

- The likely sentence (if convicted);
- Whether the offence was committed as a result of genuine mistake or misunderstanding; and
- Any previous convictions and the conduct of the defendant.

The Council will in most instances prosecute where the fraud perpetrated:

- was not a first offence;
- was planned;
Appendix C

- was undertaken by an officer in a position of authority or trust and he or she took advantage of this, or;
- involved more than one person.

The full tests the Council will apply in considering a case for prosecution are set out in Appendix 1.

### Fraud Sanctions & Redress

With respect to a prima facie case of fraud, an appropriate combination of the following three sanctions may be applied:

- **Disciplinary Action** - Application of this sanction is normally internal disciplinary action but may involve a referral to the relevant professional organisation from which professional disciplinary action could ensue

- **Civil Action** – To recover money, interest and costs where it is cost effective and desirable for the purpose of deterrence, it may be decided that civil redress is the most appropriate course of action. In such instances the council’s legal services team will utilise civil law to recover any losses

- **Criminal Sanction** - Fines, imprisonment, and compensation orders with or without police involvement

Where it is decided that a criminal prosecution is to be pursued, the Assurance Group will brief the most appropriate Chief Officer, however, the option to prosecute may also be determined by the police in some instances.

Managers should not notify the police directly, except in an emergency to prevent further loss, or where it is necessary for the police to examine an area before it is disturbed by staff or members of the public.

In instances where an investigation reveals either:

- numerous cases of fraudulent activity;
- significant value, or;
- breaches of the employee code of conduct and/or disciplinary rules.

The option of pursuing a series of sanctions (parallel sanctions) may be chosen.

The individual or parallel sanctions that are to be applied will be the decision of the Assurance Group following consultation with the Counter Fraud Manager and Legal Services.

In instances where parallel sanctions are applied, for example, internal disciplinary and criminal sanctions, the Assurance Group will carry out an investigation with a view to criminal prosecution, whilst simultaneously conducting an internal investigation under the Disciplinary Procedure.

The Assurance Group will provide evidence to Human Resources in order that an internal investigation and disciplinary hearing can be taken forward with respect to
the evidence given. The advantage of this approach is that all appropriate action is taken at the earliest opportunity.

The Council believes fair and effective prosecution is essential in order to protect public funds and deter fraudulent activity.

Irrespective of the sanctions pursued for general fraud, the council will use all measures available to it to recover any money lost due to fraudulent activity.

In respect to criminal redress, this will be sought through the application for a Compensation Order to the Courts. This Order will not only outline the losses sustained by the council through fraud but also the investigation costs.

In respect of Internal Disciplinary, the council has a responsibility, following the outcome of its investigation, to initiate an appropriate procedure aimed at recovering all monies identified as being lost or misappropriated through fraud.

The mechanism by which misappropriated monies are to be repaid will normally be established and agreed prior to any sanction being applied and may be managed through utilisation of procedures such as deduction from salary or debtor invoicing as well as the recovery of losses from pension entitlements where appropriate.

Where the above mechanisms fail to recover any monies owed to the council, following advice from Legal Services, the Assurance Group will consider the option of civil redress.

Civil redress is available to the council in all instances where initial attempts to recover the loss, such as deduction from salary or debtor invoicing, have failed. In such instances, if considered appropriate, Legal Services will make an application either to the Small Claims or County Court - depending on the value to be recovered.

Where other fraudulently obtained assets are found, action under Proceeds of Crime legislation will also be considered utilising Accredited Financial Investigator resources.

Publicity

Assurance Group officers will seek to publicise successfully prosecuted cases, with the aim to deter others and thereby to prevent further frauds.

Further Support & Guidance

If there are any questions about these procedures, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lbbd.gov.uk or by visiting our intranet pages.
Appendix C

Appendix 1

Tests the Council will apply in considering a case for prosecution:

The Evidential Test

In deciding whether to refer a case for prosecution, the following tests will be considered:

- Is there sufficient evidence for a realistic prospect of a prosecution?
- Can the evidence be used in court?
- Could the evidence be excluded by the court e.g. because of the way it was gathered or the rule about hearsay?
- Is the evidence reliable?
- Is its reliability affected by such factors as the defendant’s age, intelligence or level of understanding?
- What explanation has the defendant given? Is the court likely to find it credible in the light of the evidence as a whole?
- Is the witness’s background likely to weaken the prosecution case? e.g. does the witness have any motive that may affect his or her attitude to the case?
- Are there any concerns over the accuracy or credibility of a witness?
- How clear is the evidence?
- Has there been any failure in investigation?
- Has there been any failure in administration including delay?

The Public Interest Test

In deciding, the following factors should also be considered:

- Whether a conviction is likely to result in a significant sentence or a nominal penalty;
- Whether the offence was committed as a result of genuine mistake or misunderstanding;
- Cost effectiveness of taking the case to court;
- Any abuse of position or privilege i.e. a member of staff or Councillor;
- Whether the claimant is suffering from either significant mental or physical ill health;
- Any social factors;
- Any voluntary disclosure;
- Any previous incidences of fraud;
- The evidence shows that the defendant was a ringleader or an organiser of the offence;
- There is evidence that the offence was premeditated i.e. the claim was false from inception;
- There are grounds for believing that the offence is likely to be continued or repeated, e.g. by a history of recurring conduct; and
- The offence, although not serious, is widespread in the area where it was committed.
Assurance Group

Money Laundering Policy

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The Council’s commitment to the Money Laundering Policy

London Borough of Barking & Dagenham, “the Council”, takes a tough stance to fraud perpetrated against it and as such will be taking a proactive approach to the prevention, detection and reporting of suspected money laundering incidents.

What are the aims and requirements of the policy?

The policy has the aim to enable suspicious transactions to be recognised and reported to law enforcement agencies to deter and disrupt such practices

Who is governed by this Policy?

The Money Laundering Policy applies to all staff including and not limited to temporary staff, sessional staff and contractors. A failure to comply could be damaging to the finances and reputation of the Council.

Executive Summary

This Money Laundering Policy sets out the Council’s commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 & 2012 and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.

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Money Laundering Policy

Our policy is to prevent, wherever possible, the Authority and its staff being exposed to money laundering; to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially regarding the reporting of actual or suspected cases. It is every member of staff’s responsibility to be vigilant.

What is Money Laundering?

Money Laundering is the term used for several offences involving the proceeds of crime. It is the process by which the identity of “dirty” money (i.e. the proceeds of crime and the ownership of those proceeds) is changed so that the proceeds appear to originate from legitimate “clean” sources.

Some areas of the Council’s activities are thought to be particularly vulnerable to attempts to launder money and it can simply involve receiving payment for goods or services with “dirty” money – usually cash. The legislation includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.

What is the legal definition?

Money Laundering is defined as:

- concealing, disguising, converting, transferring or removing criminal property from England, Wales, Scotland or Northern Ireland;
- being involved in an arrangement which a person knows or suspects it facilitates the acquisition, retention, use or control of criminal property;
- acquiring, using or possessing criminal property; and
- when a person knows or suspects that money laundering activity is taking place (or has taken place), or becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, they must disclose this as soon as practicable or risk prosecution.

What is the legislation?

The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 & 2012 places specific obligations on persons who are involved in “relevant business”. Offences under the Proceeds of Crime Act, and Money Laundering Regulations, can attract penalties of unlimited fines and up to 14 years’ imprisonment.

How can suspicious activity be identified?

Employees dealing with transactions which involve income for goods and services, particularly where large refunds may be made, or large amounts of cash are received, will need to consider issues such as:

For new customers:
Appendix D

- is checking their identity proving difficult?
- is the individual reluctant to provide details?
- is there a genuine reason for using the services provided?
- is the customer attempting to introduce intermediaries to either protect their identity or hide their involvement?
- is the customer requesting a large cash transaction?
- is the source of the cash known and reasonable?

For regular and established customers:

- is the transaction reasonable in the context of the service provider’s normal business?
- is the size or frequency of the transaction consistent with the normal activities of the customer?
- has the pattern of the transaction changed since the business relationship was established?

What are the areas at risk of Money Laundering?

Where a need is identified, advice will be provided to managers to enable them to provide more targeted training.

Possible examples relating to the Council include:

- Conveyancing, including Housing Right-to-Buy transactions
- Payments in excess of £10,000 towards business rates, business rents, hall hire etc.
- Refunds of large overpayments to accounts such as Council Tax, hire fees etc.
- Suspiciously low tenders

Generally, for the types of transactions the Council is involved with which are at risk in relation to Money Laundering, the risk is mitigated because these transactions will be with large, well-known companies who will be represented by their solicitors who have their own professional duties regarding the Money Laundering Regulations. Conversely, where we have similar transactions with un-represented individuals or bodies this is an area of greater risk and our response will need to reflect this.

Reporting of Money Laundering concerns

Staff should report any suspicions to the Finance Director, Counter Fraud Manager or Service Manager – Financial Investigations as soon as they arise. Suspicions may be reported informally by telephone or email and the responsible officer will seek to establish the facts of the case, investigate the matter fully and determine whether a formal referral to the National Crime Agency (NCA) is appropriate.

Further Support & Guidance

If there are any questions about these procedures, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lb bd.gov.uk or by visiting our intranet pages.
Assurance Group

Whistleblowing Policy

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The Council's commitment to the Whistleblowing Policy

This Whistleblowing Policy sets out the Council’s commitment to ensuring compliance with the requirements of the Public Interest Disclosure Act 1998 as amended by the Enterprise and Regulatory Reform Act 2013. The Council has designated the Monitoring Officer as the Whistleblowing Officer.

What are the aims and requirements of this policy?

The Council wishes to encourage and enable employees and persons providing services on behalf of or to the council to raise serious concerns within the Council rather than overlooking the issue or ‘blowing the whistle’ outside.

For that reason, this policy has been put in place to make sure that if you want to come forward and raise any concern within the remit of this policy, you can do so with confidence and without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

Executive Summary

Sometimes employees and those who contract with the Council are the first to spot that something is wrong and putting the Council and/or its residents at risk but are reluctant to act for fear of not being taken seriously, that their concerns may not be justified or that they may be victimised for speaking out.

Legislation is in place to protect those that raise legitimate concerns in the public interest and in the right way.

This policy sets out the concerns that are dealt with under the whistleblowing procedure, the way in which you may raise concerns and how the Council will respond to those concerns.

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Whistleblowing Policy

It is our policy is to promote a culture of openness and a shared sense of integrity throughout the Council by inviting employees to act responsibly in order to uphold the reputation of the Council and maintain public confidence.

What is whistleblowing?

Whistleblowing is the reporting of suspected, or ongoing, wrongdoing at work.

We are committed to being open, honest and accountable. For this reason, concerns about malpractice and impropriety are taken very seriously. We want you to be able to raise any concerns that the interests of others and the Council (and therefore residents of Barking and Dagenham) are at risk, within the Council rather than overlooking the issue or ‘blowing the whistle’ outside.

This is because members of staff may be the first to spot anything that is seriously wrong within the council, however, they might not say anything because they think this would be disloyal, or they might be worried that their suspicions are not justified. They may also be worried that they, or someone, else may be victimised.

That is why we have produced this whistleblowing policy to help staff, including agency workers and contractors, to contact us with concerns. This policy has been put in place to make sure that if you want to come forward and raise any concern which you feel relate to illegal, improper or unethical conduct, you can do so with confidence and without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

Who is covered by this policy?

The whistleblowing policy applies to all staff including those in schools as well as anyone designated as casual, temporary, agency, contractors, consultants, authorised volunteers or work experience. It also covers those working for suppliers/providing services under a contract with the Council where this or an equivalent whistleblowing policy is in force.

To ensure your concern is treated as whistleblowing, you must identify yourself and the policy is in place to encourage this. We will consider anonymous allegations, but it is less likely that we will investigate and achieve a successful outcome.

What types of action are covered by the policy?

The policy is intended to deal with serious or sensitive concerns about wrongdoings that are in the public interest – referred to as public interest disclosures. Your concern may be about members of staff, people who work directly for the Council, suppliers, or people who provide services to the public for us.
When you raise a concern under the whistleblowing policy it must be in the reasonable belief that it is in the public interest to do so. We may ask you to sign a declaration to ensure you understand this principle.

Examples of concerns that may be in the public interest are suspected, or ongoing actions, that fall into the following categories: (the list of actions under each category is not exhaustive)

**Criminal Offences**
- Misuse of Council funds or Improper or unauthorised use of Council money
- Other fraud or corruption
- Bribery
- An unlawful act
- A person abusing their position for any unauthorised use or for personal gain

**Failure to comply with legal obligations**
- A person deliberately not keeping to a Council policy, official code of practice or any law or regulation
- A person being discriminated against because of their race, colour, religion, ethnic or national origin, disability, age, sex, sexuality, class or home life

**Actions which endanger the health or safety of any individual**
- Service users, children or students, particularly children and adults in our care being mistreated or abused
- Any other danger to health and safety

**Actions which cause damage to the environment**
- The environment being damaged (for example, by pollution)

**Actions which are intended to conceal any of the above**
- Other wrongdoing including instances where attempts have been made to conceal or cover up wrongdoing

**What is not covered by the policy?**

You cannot use this policy to deal with serious or sensitive matters that are covered by other procedures, for example:

- Staff complaints about their contract of employment as these are dealt with through our Grievance or Managing Performance at Work procedures. Customers' complaints about our services as these are dealt with through our Corporate Complaints Procedure.
- Allegations against Councillors; these should be sent in writing to: Monitoring Officer, Law & Governance, London Borough of Barking and Dagenham, Barking Town Hall, 1 Town Square, Barking IG11 7LU. Write "Private and
You also cannot use this policy to raise issues that have already been settled through other procedures, for example, matters previously resolved under the Council’s Disciplinary Rules procedures.

### Protecting you

If your allegation is true, you have nothing to fear. But we understand that deciding to blow the whistle is not easy.

When you make a protected disclosure, you have the right not to be dismissed, victimised or subjected to any other detriment. Therefore, we will not tolerate any harassment or victimisation of a whistleblower and will treat such actions as a serious disciplinary offence which will be dealt with under the Council Disciplinary Procedure.

We will do our best to protect your identity and keep your concerns confidential if this is what you want.

There may be occasions when you will need to provide statements of evidence for us to conclude the investigation. In this case, we will not reveal your name or position without your permission or unless we must do so by law; for example, if the evidence is required in Court then your anonymity may be subject to the decision of the Courts.

If you work for the Council, you should also know that any allegation you make will not influence, or be influenced by, any unrelated disciplinary action against you or any redundancy procedures that may affect you.

### How to raise a concern

The earlier you raise a concern, the easier it will be to take effective action. You should first raise your concern with your immediate Supervisor or Manager (obviously, this will depend on the seriousness and sensitivity of the matter, and who is suspected of the wrongdoing). Alternatively, you may also raise concerns with your Director. Concerns that involve financial malpractice should always be raised with Officers within the Assurance Group.

Please note that any concerns that relate to professionals who:

- Behaved in a way that has harmed a child, or may have harmed a child;
- Possibly committed a criminal offence against or related to a child; or
- Behaved towards a child or children in a way that indicates he or she would pose a risk of harm if they work regularly or closely with children.
Will need to be referred to the Local Authority Designated Officer (LADO) in Children Services: lado@lbbd.gov.uk who will determine if a specific child protection investigation is required.

If you prefer, or you do not work for the Council, you can contact the Assurance Group directly in any of the following ways:

- By writing to the Assurance Group at London Borough of Barking and Dagenham, 2nd Floor Barking Town Hall, 1 Town Hall Square, Barking IG11 7LU (write ‘Private and Confidential’ on your envelope)
- By phoning the Whistleblowing line on 020 8227 2541. You can leave a confidential voice-mail message 24 hours a day.
- By sending an e-mail to: Whistle.Blowing@lbbd.gov.uk

To maintain confidentiality, you are advised not to copy other people into your message to the whistleblowing mailbox.

If for, whatever reason, you feel your concerns cannot be reported by way of the above reporting options, you can contact the council’s Whistleblowing Officer:

- Monitoring Officer, Law & Governance, London Borough of Barking and Dagenham, Barking Town Hall, 1 Town Square, Barking IG11 7LU (write ‘Private and Confidential’ on your envelope)

If you are putting your concerns in writing it is best to give as much information as possible, such as:

- The reason why you are concerned about a situation
- any relevant names, dates, places and so on
- Background information
- What you personally witnessed or extent to which you have experienced the problem. If possible, you should provide documentary evidence.

You are strongly encouraged to raise your concerns in one of the ways set out above, but if you feel you are unable to raise the matter internally, or feel unsatisfied with any action we take, you could contact our external auditor, the National Audit Office or contact an organisation called Protect - formerly Public Concern at Work for independent advice and support. Protect can be contacted via the following means:

**Address:**
The Green House
244-254 Cambridge Heath Road
London E2 9DA

**Telephone:** Protect Advice Line: 020 3117 2520 (*Option 1)

**Email:** Protect Advice line: whistle@protect-advice.org.uk
How we respond to your concerns

Within 10 working days of you raising a concern, the Whistleblowing Officer, or designated investigator, will:

- acknowledge that we have received your concern
- explain how we will handle the matter; and
- tell you what support is available to you

It is difficult to set further timescales as they depend on the nature of the allegation and the type of investigation we need to carry out.

The way we deal with the concern will depend on what it involves. If we need to take urgent action, we will do this before carrying out any investigation. We will first make enquiries to decide whether we should carry out an investigation and, if so, how we should go about it. Throughout all our enquiries and any investigation, our main concern will be to put the interests of the public first.

Untrue Allegations

If you make an allegation which you believe is true, but it is not confirmed by our investigation, we will not take any action against you.

However, if the investigatory process finds you have made an allegation which you know is untrue; we will take appropriate disciplinary or legal action against you.

Further Support & Guidance

If there are any questions about these procedures, the Monitoring Officer can be contacted on 020 8227 2114; alternatively, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lbkd.gov.uk or by visiting our intranet pages.
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Assurance Group

The Regulation of Investigatory Powers Act Policy

June 2020

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Purpose

(For text in bold, see glossary of terms – Appendix 1)

The RIPA Policy covers the proper conduct of crime prevention activities that involve use of covert directed surveillance, covert human intelligence sources or the accessing of communications data. Application of the policy ensures that the Council is operating in accordance with the RIPA Act 2000 (the 2000 Act) as amended by the Protection of Freedoms Act 2012 (the 2012 Act). This policy sets out the Council’s approach; it details the checks and balances in place to ensure that any use of covert techniques is lawful, necessary and proportionate.

Staff found to have breached the Acts or the Council’s Code of Practice are deemed to have breached the Council’s Employee Code of Conduct and will be liable to disciplinary action.

Related Documents

The Act must be considered in tandem with associated legislation including the Human Rights Act (HRA) as well as the General Data Protection Regulation (GDPR).

Investigations should be conducted in accordance with the Council’s Counter Fraud Strategy & Counter Fraud Policy.

Who is Governed by this Policy

The RIPA Policy covers all council staff and those working on behalf of the Council who are engaged in prevention and detection activities which involve the use of surveillance, accessing communications data or use of covert human intelligence sources.

Executive Summary

Regulation of a Local Authority’s use of surveillance, use of covert human intelligence sources and accessing of communications data is set out in the RIPA Act 2000 as amended by the Protection of Freedoms Act 2012

Local Authorities’ abilities to use these investigation methods are restricted in nature and may only be used for the prevention and detection of serious crime or disorder. Local Authorities are not able to use intrusive surveillance. Powers relating to directed surveillance were amended by the Protection of Freedoms Act 2012 and the RIPA (Directed Surveillance and CHIS) (Amendment) Order 2012 to limit usage to the purpose of preventing or detecting a criminal offence where the potential punishment is a maximum term of at least 6 months of imprisonment or involving potential offences involving underage sales of tobacco and alcohol.

The RIPA (Communications Data) order came into force in 2004. It allows Local Authorities to acquire communications data, namely service data and subscriber
details for limited purposes. This order was updated by The Regulation of Investigatory Powers (Communications Data) Order 2010.

The Act also directs how applications will be made and how, and by whom, they may be approved, reviewed, renewed, cancelled and retained.

The purpose of Part II of the Act is to protect the privacy rights of anyone in a Council’s area, but only to the extent that those rights are protected by the Human Rights Act. A public authority such as the Council can infringe those rights, if it does so in accordance with the rules, which are contained within Part II of the Act. Should the public authority not follow the rules, the authority loses the impunity otherwise available to it. This impunity may be a defence to a claim for damages or a complaint to supervisory bodies, or as an answer to a challenge to the admissibility of evidence in a trial.

Further, a Local Authority may only engage the Act when performing its ‘core functions’. For example, a Local Authority may rely on the Act when conducting a criminal investigation as this would be considered a ‘core function’, whereas the disciplining of an employee would be considered a ‘non-core’ or ‘ordinary’ function.

In line with the Code of Practice issued by Central Government associated with the 2012 Act, LBBD will only use covert surveillance under RIPA powers where it is proportionate and necessary to do so, and only in the investigation of serious criminal offences.
Appendix F

Appendix 2 – Human Rights Act
Appendix 3 – General Data Protection Regulation
Appendix 4 – Key RIPA Officers
Appendix 5 – Judicial Oversight – LBBD Council’s Authorised Applicants
Appendix 6 – RIPA Forms:
  Application form for Directed Surveillance
  Renewal form for Directed Surveillance
  Review form for Directed Surveillance
  Cancellation form for Directed Surveillance
Appendix 7 – The Central Register
Appendix 8 – Best practice for photographic and video evidence
Appendix 9 – Authorising Officer’s Aide-Memoire
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Appendix 11 – Flow Chart for RIPA
Appendix F

Introduction

It is essential that the Chief Executive, or Head of Paid Service, together with the Directors and the Heads of Units should have an awareness of the basic requirements of RIPA and an understanding of how it might apply to the work of individual council departments. Without this knowledge at senior level, it is unlikely that any authority will be able to develop satisfactory systems to deal with the legislation. Those who need to use, or conduct, directed surveillance or CHIS on a regular basis will require more detailed specialised training' (Investigatory Powers Commissioners Office).

Directed Surveillance

The use of directed surveillance or a CHIS must be necessary and proportionate to the alleged crime or disorder. Usually, it will be a tool of last resort, to be used only when all other less intrusive means have been used or considered.

The Council will conduct its directed surveillance operations in strict compliance with the DPA principles and limit them to the exceptions permitted by the HRA and RIPA, and solely for the purposes of preventing and detecting crime or preventing disorder.

The Senior Responsible Officer (SRO) (Appendix 4) will be able to give advice and guidance on this legislation. The SRO will appoint a RIPA Monitoring Officer (RMO). The RMO will be responsible for the maintenance of a central register that will be available for inspection by the Investigatory Powers Commissioner's Office (IPCO). The format of the central register is set out in Appendix 6.

The use of hand-held cameras and binoculars can greatly assist a directed surveillance operation in public places. However, if they afford the investigator a view into private premises that would not be possible with the naked eye, the surveillance becomes intrusive and is not permitted. Best practice for compliance with evidential rules relating to photographs and video/CCTV footage is contained in Appendix 7. Directed surveillance may be conducted from private premises. If they are used, the applicant must obtain the owner’s permission, in writing, before authorisation is given. If a prosecution then ensues, the applicant’s line manager must visit the owner to discuss the implications and obtain written authority for the evidence to be used.

This policy does not affect the general usage of the council’s CCTV system. However, if cameras are specifically targeted for directed surveillance, a RIPA authorisation must be obtained.

Wherever knowledge of confidential information is likely to be acquired or if a vulnerable person or juvenile is to be used as a CHIS, the authorisation must be made by the Chief Executive, who is the Head of Paid Service (or in his absence whoever deputises for them).

Directed surveillance that is carried out in relation to a legal consultation on certain premises will be treated as intrusive surveillance, regardless of whether legal privilege applies or not. These premises include prisons, police stations, courts, tribunals and the premises of a professional legal advisor. Local Authorities are not able to use intrusive surveillance. Operations will only be authorised when there is sufficient
documented evidence that the alleged crime or disorder exists and when directed surveillance is a necessary and proportionate step to take to secure further evidence.

Low level surveillance, such as ‘drive-bys’ or everyday activity observed by officers during their normal duties in public places, does not need RIPA authority. If surveillance activity is conducted in immediate response to an unforeseen activity, RIPA authorisation is not required. However, if repeated visits are made for a specific purpose, authorisation may be required. In cases of doubt, legal advice should be taken.

When vehicles are being used for directed surveillance purposes, drivers must always comply with relevant traffic legislation.

**Necessary**

A person granting an authorisation for directed surveillance must consider why it is necessary to use covert surveillance in the investigation and believe that the activities to be authorised are necessary on one or more statutory grounds.

**Proportionate**

The authoriser must also believe the proposed activities are proportionate to what is being sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.

The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render intrusive actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.

The following elements of proportionality should therefore be considered:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.
Crime Threshold

The Regulation of Investigatory Powers (Directed Surveillance and CHIS) (Amendment) Order 2012 imposes a ‘Crime Threshold’ whereby only crimes which are either punishable by a maximum term of at least 6 months’ imprisonment (whether on summary conviction or indictment) or are related to the under age sale of alcohol or tobacco can be investigated under RIPA.

The crime threshold applies only to the authorisation of directed surveillance by local authorities under RIPA, not to the authorisation of local authority use of CHIS or their acquisition of CD. The threshold came into effect on 1 November 2012.

A Local Authority cannot authorise directed surveillance for preventing disorder unless this involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months’ imprisonment.

Thus, LBBD will continue to authorise use of directed surveillance in more serious cases if the other tests are met – i.e. that it is necessary and proportionate and where prior approval from a Magistrate has been granted.

LBBD will also continue to authorise the use of directed surveillance for preventing or detecting specified criminal offences relating to the under age sale of alcohol and tobacco where the necessity and proportionality test is met and prior approval from a Magistrate has been granted.

A local authority may not authorise the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences.

An Authorising Officer’s Aide-Memoire is provided at Appendix 8 to assist Authorising Officers when considering applications for directed surveillance.

Covert Human Intelligence Sources

A person who reports suspicion of an offence is not a Covert Human Intelligence Source (CHIS), nor do they become a CHIS if they are asked if they can provide additional information, e.g. details of the suspect’s vehicle or the time that they leave for work. It is only if they establish or maintain a personal covert relationship with another person for covertly obtaining or disclosing information that they become a CHIS.

The Council does not at present use CHIS. Any consideration of such use can only be considered with prior discussion with the Chief Operating officer and/or Director of Law & Governance. While the council does not currently utilise RIPA for the use of test purchases, via Trading Standards, we will ensure all uses of such are fully documented and authorised by the appropriate Senior Officer, including the thought processes followed and decisions and action taken.

For some test purchases, it will be necessary to use a CHIS who is, or appears to be, under the age of 16 (a juvenile). Written parental consent for the use of a juvenile CHIS must be obtained prior to authorisation, and the duration of such an authorisation is 1
month instead of the usual 12 months. The Authorising Officer must be the Chief Executive or Deputy. **NOTE: A juvenile CHIS may not be used to obtain information about their parent or guardian.**

Officers considering the use of a CHIS under the age of 18, and those authorising such activity must be aware of the additional safeguards identified in The Regulation of Investigatory Powers (Juveniles) Order 2000 and its Code of Practice.

A vulnerable individual should only be authorised to act as a CHIS in the most exceptional circumstances. A vulnerable individual is a person who is, or may need, community care services by reason of mental or other disability, age or illness, and who may not be able to take care of themselves. The Authorising Officer in such cases must be the Chief Executive, who is the Head of Paid Service, or in their absence whoever deputises for them.

Any deployment of a CHIS should consider the safety and welfare of that CHIS. Before authorising the use or conduct of a CHIS, the authorising officer should ensure that an appropriate bespoke risk assessment is carried out to determine the risk to the CHIS of any assignment and the likely consequences should the role of the CHIS become known. This risk assessment must be specific to the case in question. The ongoing security and welfare of the CHIS, after the cancellation of the authorisation, should also be considered at the outset.

A CHIS handler is responsible for bringing to the attention of a CHIS controller any concerns about the personal circumstances of the CHIS, as far as they might affect the validity of the risk assessment, the conduct of the CHIS, and the safety and welfare of the CHIS.

The process for applications and authorisations have similarities to those for directed surveillance, but there are also significant differences, namely that the following arrangements must be in place always in relation to the use of a CHIS:

1. There will be an appropriate officer of the Council who has day-to-day responsibility for dealing with the CHIS, and for the security and welfare of the CHIS

   and

2. There will be a second appropriate officer of the use made of the CHIS, and who will have responsibility for maintaining a record of this use. These records must also include information prescribed by the Regulation of Investigatory Powers (Source Records) Regulations 2000. Any records that disclose the identity of the CHIS must not be available to anyone who does not have a need to access these records.

**The Authorisation Process**

The processes for applications and authorisations for directed surveillance and CHIS are similar, but note the differences set out in the CHIS section above. Directed Surveillance & CHIS applications are made using forms in Appendix 5.
The authorisation process involves the following steps:

**Investigation Officer**

1. The Investigation Officer prepares an application. When completing the forms, Investigation Officers must fully set out details of the covert activity for which authorisation is sought to enable the Authorising Officer to make an informed judgment.

2. A risk assessment must be conducted by the Investigation Officer within 7 days of the proposed start date. This assessment will include the number of officers required for the operation; whether the area involved is suitable for directed surveillance; what equipment might be necessary, health and safety concerns and insurance issues. Care must be taken when considering surveillance activity close to schools or in other sensitive areas. If it is necessary to conduct surveillance around school premises, the applicant should inform the head teacher of the nature and duration of the proposed activity, in advance.

3. The Investigation Officer will pass the application through to one of their service’s “gatekeepers” for review.

4. The gatekeeper, having reviewed the application, will forward the request to the RIPA Monitoring Officer or another officer within the Assurance Group. The application will be logged on the central register and assigned a unique reference number. The RIPA Monitoring Officer will then submit the application form to an authorising officer (see Appendix 4) for approval.

5. All applications to conduct directed surveillance (other than under urgency provisions – see below) must be made in writing in the approved format.

**Authorising Officer (AO)**

6. The AO considers the application and if it is considered complete the application is signed off and returned to the Monitoring Officer who will log the outcome within the central register. This process, along with the initial application and dealings with the Monitoring Officer, can be completed through email.

7. An Authorising Officer’s Aide-Memoire is provided at Appendix 8 to assist Authorising Officers when considering applications for directed surveillance.

8. If there are any deficiencies in the application further information may be sought from the Investigation Officer, prior to sign off.

9. Once final approval has been received the Investigation Officer will retain a copy and will create an appropriate diary method to ensure that any additional documents are submitted in good time.
Application to Magistrates Court

10. The countersigned application form will form the basis of the application to the Magistrates Court (see further below)

Authorised Activity

11. Authorisation takes effect from the date and time of the approval from the Magistrates Court.

12. Where possible, private vehicles used for directed surveillance purposes should have keeper details blocked by the DVLA.

13. Consideration should be given to notifying the relevant police force intelligence units of the operation.

14. Before directed surveillance, activity commences, the Investigation Officer will brief all those taking part in the operation. The briefing will include details of the roles to be played by each officer, a summary of the alleged offence(s), the name and/or description of the subject of the directed surveillance (if known), a communications check, a plan for discontinuing the operation and an emergency rendezvous point.

15. Evidential notes should be made by all officers engaged in the operation. These documents will be kept in accordance with the appropriate retention guidelines.

16. Where a contractor or external agency is employed to undertake any investigation on behalf of the Council, the Investigation Officer will ensure that any third party is adequately informed of the extent of the authorisation and how they should exercise their duties under that authorisation.

Conclusion of Activities

17. As soon as the authorised activity has concluded the Investigation Officer will complete a Cancellation Form (Appendix 5).

18. Originals of the complete application, any review or renewal & the cancellation forms will be retained with the central register. Should the forms have been completed electronically, the Monitoring Officer will retain all correspondence.

Judiciary Authorisation

Under sections 37 and 38 of the Protection of Freedoms Act 2012 a local authority who wishes to authorise the use of directed surveillance or the use of a CHIS under RIPA will need to obtain an order approving the grant or renewal of an authorisation from a JP (a District Judge or lay magistrate) before it can take effect.

The acquisition of Communications Data (CD) by Local Authorities was also required but in June 2019 the process changed. The Home Office transitioned all public authorities from RIPA to IPA and this will impact on the communications data
acquisition regime. The IPA introduced independent authorisation of CD requests through the setting up of the Office for CD Authorisations (OCDA). From June 2019, all CD applications must be authorised by OCDA replacing the need to gain judicial approval.

If the JP is satisfied that the statutory tests have been met and that the use of the technique is necessary and proportionate, he/she will issue an order approving the grant or renewal for the use of the technique as described in the application.

The judicial approval mechanism is in addition to the existing authorisation process under the relevant parts of RIPA as outlined above. The current process of assessing the necessity and proportionality, completing the RIPA authorisation/application form and seeking approval from an authorising officer/designated person will therefore remain the same.

The appropriate officer from LBBD will provide the JP with a copy of the original RIPA authorisation and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all information that is relied upon.

The original RIPA authorisation should be shown to the JP but also be retained by LBBD so that it is available for inspection by the Commissioners’ officers and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT). The court may also wish to take a copy.

Importantly, the appropriate officer will also need to provide the JP with a partially completed judicial application form.

Although the officer is required to provide a summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

The order section of the form will be completed by the JP and will be the official record of the JP’s decision. The officer from LBBD will need to obtain judicial approval for all initial RIPA authorisations and renewals and will need to retain a copy of the judicial application form after it has been signed by the JP. There is no requirement for the JP to consider either cancellations or internal reviews.

The authorisation will take effect from the date and time of the JP granting approval and LBBD may proceed to use the techniques approved in that case.

It will be important for each officer seeking authorisation to establish contact with the HM Courts & Tribunals Service (HMCTS) administration at the magistrates’ court. HMCTS administration will be the first point of contact for the officer when seeking a Judiciary approval. LBBD will need to inform HMCTS administration as soon as possible to request a hearing for this stage of the authorisation.

On the rare occasions where out of hours’ access to a JP is required then it will be for the officer to make local arrangements with the relevant HMCTS legal staff. In these cases, we will need to provide two partially completed judicial application forms so that one can be retained by the JP. They should provide the court with a copy of the signed judicial application form the next working day.
In most emergency situations where the police have power to act, then they can authorise activity under RIPA without prior JP approval. No RIPA authority is required in immediate response to events or situations where it is not reasonably practicable to obtain it (for instance when criminal activity is observed during routine duties and officers conceal themselves to observe what is happening).

Where renewals are timetabled to fall outside of court hours, for example during a holiday period, it is the local authority’s responsibility to ensure that the renewal is completed ahead of the deadline. Out of hours’ procedures are for emergencies and should not be used because a renewal has not been processed in time.

The hearing is a ‘legal proceeding’ and therefore our officers will be sworn in and present evidence or provide information as required by the JP. The hearing will be in private and heard by a single JP who will read and consider the RIPA authorisation and the judicial application form. He/she may have questions to clarify points or require additional reassurance on specific points.

The attending officer will need to be able to answer the JP’s questions on the policy and practice of conducting covert operations and the detail of the case itself. This does not, however, remove or reduce in any way the duty of the authorising officer to determine whether the tests of necessity and proportionality have been met. Similarly, it does not remove or reduce the need for the forms and supporting papers that the authorising officer has considered, and which are provided to the JP to make the case.

It is not LBBD’s policy that legally trained personnel are required to make the case to the JP. The forms and supporting papers must by themselves make the case. It is not enough for the local authority to provide oral evidence where this is not reflected or supported in the papers provided. The JP may note on the form any additional information he or she has received during the hearing but information fundamental to the case should not be submitted in this manner.

If more information is required to determine whether the authorisation has met the tests, then the JP will refuse the authorisation. If an application is refused the local authority should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

The JP will record his/her decision on the order section of the judicial application form. HMCTS administration will retain a copy of the local authority RIPA authorisation and the judicial application form. This information will be retained securely. Magistrates’ courts are not public authorities for the purposes of the Freedom of Information Act 2000.

LBBD will need to provide a copy of the order to the communications SPOC (Single Point of Contact) for all CD requests. SPOCs must not acquire the CD requested until the JP has signed the order approving the grant.
Appendix F

Authorisation periods

The authorisation will take effect from the date and time of the JP granting approval and LBBD may proceed to use the techniques approved in that case.

A written authorisation (unless renewed or cancelled) will cease to have effect after 3 months. Urgent oral or written authorisations, unless renewed, cease to have effect after 72 hours, beginning with the time when the authorisation was granted.

Renewals should not normally be granted more than seven days before the original expiry date. If the circumstances described in the application alter, the applicant must submit a review document before activity continues.

As soon as the operation has obtained the information needed to prove, or disprove, the allegation, the applicant must submit a cancellation document and the authorised activity must cease.

CHIS authorisations will (unless renewed or cancelled) cease to have effect 12 months from the day on which authorisation took effect, except in the case of juvenile CHIS which will cease to have effect after one month. Urgent oral authorisations or authorisations will unless renewed, cease to have effect after 72 hours.

Telecommunications Data - NAFN

The RIPA (Communications Data) Order 2003 allows Local Authorities to acquire limited information in respect of subscriber details and service data. It does NOT allow Local Authorities to intercept, record or otherwise monitor communications data.

Applications to use this legalisation must be submitted to a Home Office accredited Single Point of Contact (SPOC). The Council uses the services of NAFN (the National Anti-Fraud Network) for this purpose.

Officers may make the application by accessing the NAFN website. The application will first be vetted by NAFN for consistency, before being forwarded by NAFN to the Council’s Designated Persons for the purposes of approving the online application. The Council will ensure that Designated Persons receive appropriate training when becoming a Designated Person.

The Council’s Designated Persons are presently the Operational Director, Enforcement Services Division and the Director of Public Health. NAFN will inform the Designated Person once the application is ready to be reviewed by the Designated Persons.

The relevant Designated Person will then access the restricted area of the NAFN website, using a special code, to review and approve the application. When approving the application, the Designated Person must be satisfied that the acquiring of the information is necessary and proportionate. Approvals are documented by the Designated Person completing the online document and resubmitting it by following the steps outlined on the site by NAFN. This online documentation is retained by NAFN.
who are inspected and audited by the Interception of Communications Commissioner Office.

When submitting an online application, the officer must also inform the relevant Designated Person, in order that they are aware that the NAFN application is pending.

**Handling of material and use of material as evidence**

Material obtained from properly authorised directed surveillance or a CHIS may be used in other investigations. Arrangements in place for the handling, storage and destruction of material obtained using directed surveillance, a CHIS or the obtaining or disclosure of communications data must ensure compliance with the appropriate data protection requirements and any relevant Corporate Procedures relating to the handling and storage of material.

Where the product of surveillance could be relevant to pending or future proceedings, it should be retained in accordance with established disclosure requirements for a suitable period and subject to review.

**Training**

Officers conducting directed surveillance operations, using a CHIS or acquiring communications data along with Authorising Officers, the Senior Responsible Officer and the RIPA Monitoring Officer must be suitably qualified or trained.

The Senior Responsible Officer in conjunction with the RIPA Monitoring Officer is responsible for arranging suitable training for those conducting surveillance activity or using a CHIS.

All training will take place at reasonable intervals as determined by the Senior Responsible Officer, but it is envisaged that an update will usually be necessary following legislative or good practice developments.

**Surveillance Equipment**

All mobile surveillance equipment should be securely held and suitability for use discussed with the Security & Investigations or Assurance Group.

**RIPA Record Quality Reviews**

To ensure directed surveillance authorisations are being conducted in accordance with Council policy, a system of internal quality assurance has been put in place. The Audit & Select Committee will receive quarterly summaries on the Council’s use of RIPA.

**Data Retention**

Any data gathered as part of the investigative process, alongside that of RIPA and covert activity, will be securely stored and retained for the shortest required time, in line with any legislation and our own retention schedules. This includes any
information that may be disseminated (no wider than is absolutely necessary) through joint investigations, and will include direction on the requirement to keep the data secure and ensure adequate data retention policies and procedures are in place.

### The Inspection Process

The Investigatory Powers Commissioner's Office (IPCO) will make periodic inspections during which the inspector will interview a sample of key personnel, examine RIPA and CHIS applications and authorisations, the central register and policy documents. The inspector will also make an evaluation of processes and procedures.

The last inspection undertaken at LBBD was April 2020.

### Resources

The latest Codes of Practice for RIPA can be found on the GOV.UK website at:

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

Further information can be found on the Investigatory Powers Commissioner's Office website & via the Home Office website:

https://www.ipco.org.uk/

http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/

### Relevant Acts:

Regulation of Investigatory Powers Act 2000:

Protection of Freedoms Act 2012:
http://www.legislation.gov.uk/ukpga/2012/9/contents/enacted

Human Rights Act 1998:

General Data Protection Regulation:
https://www.eugdpr.org/eugdpr.org.html

The latest version of the RIPA Policy and our documents can be obtained either by contacting the Assurance Group directly or by visiting our intranet pages.

If you have any comments or feedback to do with this document, we would like to hear from you, so please get in touch and email us at the following address:

caft@lbbd.gov.uk
GLOSSARY OF TERMS (For full definitions, refer to the Act)

Central Register
The primary record of RIPA & CHIS applications, reviews, renewals, and cancellations and where original documents are stored.

Collateral intrusion
The likelihood of obtaining private information about someone who is not the subject of the directed surveillance operation.

Communications Data
Information on the communication’s origin, destination, route, time, date, size, duration, or type of underlying service but not the content.

Confidential information
This covers confidential journalistic material, matters subject to legal privilege, and information relating to a person (living or dead) relating to their physical or mental health; spiritual counselling or which has been acquired or created in the course of a trade/profession/occupation or for the purposes of any paid/unpaid office.

Covert Human Intelligence Source
A person who establishes or maintains a personal or other relationship for the covert purpose of using such a relationship to obtain information or to provide access to any information to another person or covertly discloses information.

Covert relationship
A relationship in which one side is unaware of the purpose for which the relationship is being conducted by the other.

Directed Surveillance
Surveillance carried out in relation to a specific operation which is likely to result in obtaining private information about a person in a way that they are unaware that it is happening.

Intrusive Surveillance
Surveillance which takes place on any residential premises or in any private vehicle. A Local Authority cannot use intrusive surveillance.

Legal Consultation
A consultation between a professional legal adviser and his client or any person representing his client, or a consultation between a professional legal adviser or his client or representative and a medical practitioner made in relation to current or future legal proceedings.
Monitoring Officer (MO)
The Monitoring Officer has the day to day responsibility to maintain a central and up-to-date record of all authorisations (Central Register) and arrange appropriate training.

Residential premises
Any premises occupied by any person as residential or living accommodation, excluding common areas to such premises, e.g. stairwells and communal entrance halls.

Reviewing Officer (RO)
The Head of Legal Services has been designated as the Reviewing Officer. The role is responsible for ensuring an oversight to the RIPA policy, an Authorising Officer as well as counter signatory in cases of non-RIPA applications.

Senior Responsible Officer (SRO)
The SRO is responsible for the integrity of the processes for the Council to ensure compliance when using Directed Surveillance or CHIS.

Service data
Data held by a communications service provider relating to a customer’s use of their service, including dates of provision of service; records of activity such as calls made, recorded delivery records and top-ups for pre-paid mobile phones.

Surveillance device
Anything designed or adapted for surveillance purposes.
Key Articles of Schedule 1 of the Human Rights Act relevant to RIPA:

**ARTICLE 6 RIGHT TO A FAIR TRIAL**

1. In the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law. Judgment shall be pronounced publicly but the press and public may be excluded from all or part of the trial in the interest of morals, public order or national security in a democratic society, where the interests of juveniles or the protection of the private life of the parties so require, or to the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice.

2. Everyone charged with a criminal offence shall be presumed innocent until proved guilty according to law.

3. Everyone charged with a criminal offence has the following minimum rights:
   
   a. to be informed promptly, in a language which he understands and in detail, of the nature and cause of the accusation against him;
   
   b. to have adequate time and facilities for the preparation of his defence;
   
   c. to defend himself in person or through legal assistance of his own choosing or, if he has not sufficient means to pay for legal assistance, to be given it free when the interests of justice so require;
   
   d. to examine or have examined witnesses against him and to obtain the attendance and examination of witnesses on his behalf under the same conditions as witnesses against him; and
   
   e. to have the free assistance of an interpreter if he cannot understand or speak the language used in court.

**ARTICLE 8 RIGHT TO RESPECT FOR PRIVATE AND FAMILY LIFE**

1. Everyone has the right to respect for his private and family life, his home and his correspondence.

2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

If it is proposed that directed surveillance evidence is to be used in a prosecution, or other form of sanction, the subject of the surveillance should be informed during an interview under caution.
The eight principles of the Act relating to the acquisition of personal data need to be observed when using RIPA. To ensure compliance, the information must:

- Be fairly and lawfully obtained and processed;
- Be processed for specified purposes only;
- Be adequate, relevant and not excessive;
- Be accurate;
- Not be kept for longer than is necessary;
- Be processed in accordance with an individual’s rights;
- Be secure; and
- Not be transferred to non-European Economic Area countries without adequate protection.

Under the GDPR, the data protection principles set out the main responsibilities for organisations. Article 5 of the GDPR requires that personal data shall be:

“a) processed lawfully, fairly and in a transparent manner in relation to individuals;

b) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes;

c) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;

d) accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay;

e) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals; and

f) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.”

Article 5(2) requires that: “the controller shall be responsible for, and be able to demonstrate, compliance with the principles.”
Key RIPA Officers

Authorisation of RIPA applications where there is a likelihood of obtaining Confidential Information can only be given by the Chief Executive or deputy.

Only the Chief Executive, as Head of Paid Service or their deputy, can authorise the use of a vulnerable person or a juvenile to be used as a Covert Human Intelligence Source.

Principal RIPA Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claire Symonds</td>
<td>Senior Responsible Officer (SRO)</td>
</tr>
<tr>
<td></td>
<td>Interim Chief Executive, Chief Operating Officer</td>
</tr>
<tr>
<td>Kevin Key</td>
<td>RIPA Monitoring Officer (MO)</td>
</tr>
<tr>
<td></td>
<td>Counter Fraud Manager, Assurance Group</td>
</tr>
<tr>
<td>Fiona Taylor</td>
<td>Reviewing Officer (RO)</td>
</tr>
<tr>
<td></td>
<td>Director of Law, Governance &amp; Human Resources</td>
</tr>
</tbody>
</table>

Authorising Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Naylor</td>
<td>Chief Executive – currently on secondment to Birmingham City Council</td>
</tr>
<tr>
<td>Claire Symonds (SRO)</td>
<td>Interim Chief Executive, Chief Operating Officer and SRO</td>
</tr>
<tr>
<td>Fiona Taylor (RO)</td>
<td>Director of Law, Governance &amp; Human Resources</td>
</tr>
<tr>
<td>Matthew Cole</td>
<td>Director of Public Health</td>
</tr>
<tr>
<td>Andy Opie</td>
<td>Operational Director of Enforcement Services</td>
</tr>
</tbody>
</table>

Appointment of Staff designated as “Gatekeepers”

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon Scott</td>
<td>Senior Investigator, Assurance Group</td>
</tr>
<tr>
<td>Jaiyesh Patel</td>
<td>Senior Investigator, Assurance Group</td>
</tr>
</tbody>
</table>
Judicial Oversight – LBBD Council’s Authorised Applicants

I certify that the appropriate training has been provided, and that staff have been appointed under Section 223(1) of the Local Government Act 1972 to appear for the Authority and are approved applicants in accordance with section 223(1) Local Government Act 1972.

As Monitoring Officer, I will keep up to date records of staff eligible to submit RIPA applications. In addition, all Gatekeepers have attended training and are approved for the purpose of making applications.

Kevin Key
RIPA Monitoring Officer
RIPA Application Form


Application for Authorisation for Directed Surveillance

<table>
<thead>
<tr>
<th>Public Authority (including full address)</th>
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</thead>
<tbody>
<tr>
<td><strong>Name of Applicant</strong></td>
<td><strong>Unit/Branch /Division</strong></td>
</tr>
<tr>
<td><strong>Full Address</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Contact Details</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Investigation/Operation Name (if applicable)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Investigating Officer (if a person other than the applicant)</strong></td>
<td></td>
</tr>
</tbody>
</table>
1. Give name and rank or position of authorising officer in accordance with the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 No. 521. The exact position of the Authorising Officer should be given.

2. Describe the purpose of the specific operation or investigation.

3. Describe in detail the surveillance operation to be authorised and expected duration, including any premises, vehicles or equipment (e.g. camera, binoculars, recorder) that may be used.

4. The identities, where known, of those to be subject of the directed surveillance.
   - Name:
   - Address:
   - DOB:
   - Other information as appropriate:

5. Explain the information that it is desired to obtain as a result of the directed surveillance.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>6.</td>
<td>Identify on which grounds the directed surveillance is necessary under Section 28(3) of RIPA. Delete those that are inapplicable. Ensure that you know which of these grounds you are entitled to rely on (SI 2010 No.521).</td>
</tr>
<tr>
<td></td>
<td>NB: UNDER SECTION 28 OF RIPA, THE ONLY GROUND AVAILABLE TO THE COUNCIL IS: “FOR THE PURPOSE OF PREVENTING OR DETECTING CRIME OR OF PREVENTING DISORDER”. THIS APPLICATION MUST BE REJECTED, IF THIS GROUND IS NOT RELEVANT TO THE PROPOSED SURVEILLANCE.</td>
</tr>
<tr>
<td>7.</td>
<td>Explain why this directed surveillance is necessary on the grounds you have identified [Code paragraph 3.3].</td>
</tr>
<tr>
<td>8.</td>
<td>Supply details of any potential collateral intrusion and why the intrusion is unavoidable. [Bear in mind Code paragraphs 3.8 to 3.11.] Describe precautions you will take to minimise collateral intrusion.</td>
</tr>
</tbody>
</table>
| 9. | Explain why this directed surveillance is proportionate to what it seeks to achieve. How intrusive might it be on the subject of surveillance or on others? And why is this intrusion outweighed by the need for surveillance in operational terms or can the evidence be obtained by any other means [Code paragraphs 3.4 to 3.7]?
### 10. Confidential information [Code paragraphs 4.1 to 4.31].

**INDICATE THE LIKELIHOOD OF ACQUIRING ANY CONFIDENTIAL INFORMATION:**

<table>
<thead>
<tr>
<th>Name (print)</th>
<th>Tel No:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade and Rank or position</td>
<td>Date</td>
</tr>
<tr>
<td>Signature</td>
<td></td>
</tr>
</tbody>
</table>

### 12. Authorising Officer’s Statement. [Spell out the “5 Ws” – Who; What; Where; When; Why and HOW– in this and the following box.]

I hereby authorise directed surveillance defined as follows: [Why is the surveillance necessary, Whom is the surveillance directed against, Where and When will it take place, What surveillance activity/equipment is sanctioned, How is it to be achieved?]
13. Explain why you believe the directed surveillance is necessary [Code paragraph 3.3].
Explain why you believe the directed surveillance to be proportionate to what is sought to be achieved by carrying it out [Code paragraphs 3.4 to 3.7].

<table>
<thead>
<tr>
<th>Date of first review</th>
</tr>
</thead>
</table>

Programme for subsequent reviews of this authorisation: [Code paragraph 3.23]. Only complete this box if review dates after first review are known. If not or inappropriate to set additional review dates then leave blank.

<table>
<thead>
<tr>
<th>Name (Print)</th>
<th>Grade and Rank/Position</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date and time</th>
</tr>
</thead>
</table>

Expiry date and time [e.g.: authorisation granted on 1 April 20016 - expires on 30 June 2016, 23:59]
<table>
<thead>
<tr>
<th>15. Urgent Authorisation [Code paragraph 5.9]: Authorising officer: explain why you considered the case so urgent that an oral instead of a written authorisation was given.</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. If you are only entitled to act in urgent cases: explain why it was not reasonably practicable for the application to be considered by a fully qualified authorising officer.</td>
</tr>
<tr>
<td>Name (Print)</td>
</tr>
<tr>
<td>Signature</td>
</tr>
</tbody>
</table>
| **Urgent authorisation**  
**Expiry date:** | **Expiry time:**  
| e.g. authorisation granted at 5pm on June 1st expires 4.59pm on 4th June |

*Remember the 72-hour rule for urgent authorities – check Code of Practice.*
## RIPA Renewal Form

### Part II of the Regulation of Investigatory Powers Act 2000

#### Renewal of a Directed Surveillance Authorisation

<table>
<thead>
<tr>
<th>Public Authority</th>
<th></th>
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<tbody>
<tr>
<td>(including full address)</td>
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</table>

<table>
<thead>
<tr>
<th>Name of Applicant</th>
<th>Unit/Branch /Division</th>
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<table>
<thead>
<tr>
<th>Full Address</th>
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<table>
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<tr>
<th>Contact Details</th>
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<table>
<thead>
<tr>
<th>Investigation/Operation Name (if applicable)</th>
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<table>
<thead>
<tr>
<th>Renewal Number</th>
<th></th>
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</tbody>
</table>
Details of renewal:

1. Renewal numbers and dates of any previous renewals.

<table>
<thead>
<tr>
<th>Renewal Number</th>
<th>Date</th>
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</table>

2. Detail any significant changes to the information as listed in the original authorisation as it applies at the time of the renewal.

3. Detail the reasons why it is necessary to continue with the directed surveillance.

4. Detail why the directed surveillance is still proportionate to what it seeks to achieve.

5. Indicate the content and value to the investigation or operation of the information so far obtained by the directed surveillance.

6. Give details of the results of the regular reviews of the investigation or operation.
7. Applicant's Details

<table>
<thead>
<tr>
<th>Name (Print)</th>
<th>Tel No</th>
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</thead>
<tbody>
<tr>
<td>Grade/Rank</td>
<td>Date</td>
</tr>
<tr>
<td>Signature</td>
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</tbody>
</table>

8. Authorising Officer's Comments. **This box must be completed.**


9. Authorising Officer's Statement.

I, [insert name], hereby authorise the renewal of the directed surveillance operation as detailed above. The renewal of this authorisation will last for 3 months unless renewed in writing.

This authorisation will be reviewed frequently to assess the need for the authorisation to continue.

<table>
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<tr>
<th>Name (Print)</th>
<th>Grade / Rank</th>
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<tr>
<td>Signature</td>
<td>Date</td>
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<tr>
<th>Renewal From:</th>
<th>Time:</th>
<th>Date:</th>
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<table>
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<tr>
<th>Date of first review.</th>
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<table>
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<tr>
<th>Date of subsequent reviews of this authorisation.</th>
</tr>
</thead>
</table>
RIPA Review Form


Review of a Directed Surveillance authorisation

<table>
<thead>
<tr>
<th>Public Authority (including address)</th>
<th>Unit/Branch /Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant</td>
<td></td>
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<tr>
<td>Full Address</td>
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<tr>
<td>Contact Details</td>
<td></td>
</tr>
<tr>
<td>Operation Name</td>
<td>Operation Number*</td>
</tr>
<tr>
<td></td>
<td>*Filing Ref</td>
</tr>
<tr>
<td>Date of authorisation or last renewal</td>
<td>Expiry date of authorisation or last renewal</td>
</tr>
<tr>
<td></td>
<td>Review Number</td>
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</tbody>
</table>

Details of review:

1. Review number and dates of any previous reviews.

<table>
<thead>
<tr>
<th>Review Number</th>
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<tr>
<td><strong>2.</strong> Summary of the investigation/operation to date, including what private information has been obtained and the value of the information so far obtained.</td>
<td></td>
</tr>
<tr>
<td><strong>3.</strong> Detail the reasons why it is necessary to continue with the directed surveillance.</td>
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<tr>
<td><strong>4.</strong> Explain how the proposed activity is still proportionate to what it seeks to achieve.</td>
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<tr>
<td><strong>5.</strong> Detail any incidents of collateral intrusion and the likelihood of any further incidents of collateral intrusions occurring.</td>
<td></td>
</tr>
<tr>
<td><strong>6.</strong> Give details of any confidential information acquired or accessed and the likelihood of acquiring confidential information.</td>
<td></td>
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</tbody>
</table>
7. Applicant's Details

<table>
<thead>
<tr>
<th>Name (Print)</th>
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8. Review Officer's Comments, including whether or not the directed surveillance should continue.

9. Authorising Officer's Statement.

I, [insert name], hereby agree that the directed surveillance investigation/operation as detailed above [should/should not] continue [until its next review/renewal] [it should be cancelled immediately].

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<tr>
<th>Name (Print):</th>
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<th>Date:</th>
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10. Date of next review

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RIPA Cancellation Form


Cancellation of a Directed Surveillance authorisation

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<thead>
<tr>
<th>Public Authority</th>
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<th>Investigation/Operation Name (if applicable)</th>
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</table>

Details of cancellation:

1. Explain the reason(s) for the cancellation of the authorisation:
2. Explain the value of surveillance in the operation:


3. Authorising officer’s statement.

I, [insert name], hereby authorise the cancellation of the directed surveillance investigation/operation as detailed above.

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<thead>
<tr>
<th>Name (Print)</th>
<th>Grade</th>
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<th>Date</th>
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4. Time and Date of when the authorising officer instructed the surveillance to cease.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
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5. Authorisation cancelled.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
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</table>

Forms can also be obtained from the Assurance and Counter Fraud Group at:
caft@lbdd.gov.uk

Or can be printed of and completed as required from the GOV.UK website at:

RIPA Application for Directed Surveillance

Renewal of a Directed Surveillance Authorisation

Review of a Directed Surveillance Authorisation

Cancellation of a Directed Surveillance Authorisation
Central Register

A central register will be maintained by the RIPA Monitoring Officer. The register will contain details of all RIPA and CHIS applications (whether approved or not) and all reviews, renewals and cancellations.

Each operation will be given a unique reference number (URN) from which the year of the operation may be readily identified.

The register will also contain the following information:
- The name of the applicant;
- The name of the subject of the surveillance or CHIS activity (for internal enquiries a pseudonym may be used);
- The date and time that the activity was authorised;
- The date and time of any reviews that are to be conducted;
- The date and time of any renewals of authorisations; and
- The date and time of the cancellations of any authorisations.

Kept in conjunction with the register will be details of the training and updates delivered to authorising officers, a list of authorising officers, a copy of the RIPA policy and copies of all relevant legislation.

The original of all documents will also be held with the register, which will be available for inspection by the Investigatory Powers Commissioners Office.

The register will form the basis of statistical returns of RIPA usage by the Council which are periodically compiled.
Best practice regarding photographic and video evidence

Photographic or video evidence can be used to support the verbal evidence of what the officer conducting surveillance actually saw. There will also be occasions when video footage may be obtained without an officer being present at the scene. However, it is obtained, it must be properly documented and retained in order to ensure evidential continuity. All such material will be disclosable in the event that a prosecution ensues.

Considerations should be given as to how the evidence will eventually be produced. This may require photographs to be developed by an outside laboratory. Arrangements should be made in advance to ensure continuity of evidence at all stages of its production. A new film, tape or memory card should be used for each operation.

If video footage is to be used, start it with a verbal introduction to include day, date, time and place and names of officer’s present. Try to include footage of the location, e.g. street name or other landmark so as to place the subject of the surveillance.

A record should be maintained to include the following points:

- Details of the equipment used;
- Name of the officer who inserted the film, tape or memory card into the camera;
- Details of anyone else to whom the camera may have been passed;
- Name of officer removing film, tape or memory card;
- Statement to cover the collection, storage and movement of the film, tape or memory card; and
- Statement from the person who developed or created the material to be used as evidence.

As soon as possible the original recording should be copied, and the master retained securely as an exhibit. If the master is a tape, the record protect tab should be removed once the tape has been copied. Do not edit anything from the master. If using tapes, only copy on a machine that is known to be working properly. Failure to do so may result in damage to the master.

Stills may be taken from video. They are a useful addition to the video evidence.

**Checklist 6: Compiling an Audit Trail for Digital Images**

in the National Policing Improvement Agency’s document:
“PRACTICE ADVICE ON POLICE USE OF DIGITAL IMAGES which is available at:


provides a list of what information should be included (with date and time of action) in order to make the evidence admissible.
### Has the applicant satisfactorily demonstrated proportionality?

- Court will ask itself should (not could) we have decided this was proportionate.
- Is there a less intrusive means of obtaining the *same* information?
- What is the risk – to the authority (loss), to the community of allowing the offence to go un-investigated? What is the potential risk to the subject?
- What is the least intrusive way of conducting the surveillance?
- Has the applicant asked for too much? Can it safely be limited?
- Remember – Don’t use a sledge-hammer to crack a nut!

**YOUR COMMENTS**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

### Has the applicant satisfactorily demonstrated necessity?

- What crime is alleged to be being committed?
- Has the applicant described it in full?
- Is surveillance necessary for what we are seeking to achieve?
- Does the activity need to be covert, or could the objectives be achieved overtly?

**YOUR COMMENTS**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</table>

### What evidence does applicant expect to gather?

- Has applicant described:
  - (a) what evidence he/she hopes to gain, and
  - (b) the value of that evidence in relation to THIS enquiry?

**YOUR COMMENTS**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>
Is there any likelihood of obtaining confidential information during this operation? If “Yes” operation must be authorised by the Chief Executive or in their absence their deputy.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</table>

Have any necessary risk assessments been conducted before requesting authorisation? Detail what assessment (if any) was needed in this particular case. In the case of a CHIS authorization an appropriate bespoke risk assessment must be completed.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
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</table>

When applying for CHIS authorisation, have officers been identified to:

- a) have day to day responsibility for the CHIS (a handler)
- b) have general oversight of the use of the CHIS (a controller)
- c) be responsible for retaining relevant CHIS records, including true identity, and the use made of the CHIS.

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
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</table>

Have all conditions necessary for authorisation been met to your satisfaction? GIVE DETAILS

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</thead>
</table>

Do you consider that it is necessary to place limits on the operation? IF YES, GIVE DETAILS (e.g. no. of officers, time, date etc.) and REASONS

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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Remember to diarise any review dates and any subsequent action necessary by you and/or applicant. Return copy of completed application to applicant and submit original to the Assurance and Counter Fraud Group. Retain copy.
Open Source

Investigators make much use of the internet to assist with their enquiries. Many of the checks completed could be considered ‘open source’ that are unlikely to amount to either Directed Surveillance or the use of a CHIS. However, consideration must be had for certain circumstances where RIPA authorisation may be deemed appropriate.

a. Normal Use

When an investigator makes normal checks on the internet, accessing information held within the public domain, on a single occasion, this would be considered acceptable and within the bounds of normal usage. Full records must be kept taking into consideration the expectations of the Criminal Procedure and Investigations Act. Throughout an investigation, it would be appropriate for an investigator to make occasional further checks. If, on the other hand, it becomes apparent that regular checks are taking place to monitor someone’s activities, this may constitute Directed Surveillance.

b. Directed Surveillance

When regular checks of the same pages occur, in order to monitor activity, this may be Directed Surveillance. Should this be happening, consideration should be had for the use of RIPA.

c. Covert Human Intelligence Source

Looking at publicly available pages is considered ‘Open Source’ but should a decision be made to request access to view page then the situation changes. In order to access specific information a personal or other relationship would have to be created or maintained potentially amounting to the use of a CHIS. An example where this is likely is sending a friend request within Facebook.

EXCEPTION

Should you use an identity that is overt (such as LBBD Fraud Investigations or LBBD trading Standards) to send the request from. In this instance, it would be classed as monitoring and not Directed Surveillance/CHIS.

Officers are encouraged to follow the procedures of this policy (either RIPA or Non-RIPA) should the above circumstances present themselves.
Flow Chart for RIPA Applications

Completion of RIPA Application by Applicant

→

Discussion with Gatekeeper

→

Pass to MO for logging and reference no.

MO passes to AO to consider application

→

AO makes decision and returns to MO

MO returns to applicant who arranges to attend court

→

When court form received copy to be passed to MO for Central Register
This page is intentionally left blank
## The Bribery Act Policy

June 2020

<table>
<thead>
<tr>
<th>Date Last Reviewed:</th>
<th>May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved by:</td>
<td>Audit &amp; Standards Committee</td>
</tr>
<tr>
<td>Date Approved:</td>
<td>TBC</td>
</tr>
<tr>
<td>Review Date:</td>
<td>June 2021</td>
</tr>
<tr>
<td>Document Owner:</td>
<td>Head of Assurance</td>
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</tbody>
</table>
The Council's commitment to the Bribery Act Policy

The Bribery Act Policy sets out the Council's commitment to ensuring compliance with the requirements of the Bribery Act. The council will not condone acts of bribery, whether it is in the form of money, gifts or a favour, offered or given to a person in a position of trust to influence that person's views or conduct.

What are the aims and requirements of the legislation?

Where Bribery is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Bribery Act policy. It will be investigated fully, and the London Borough of Barking and Dagenham will prosecute all offenders where appropriate including, Members, employees, contractors and external partners.

Who is governed by this Policy?

The Bribery Act policy covers everyone working for us, or on our behalf, including all permanent employees, temporary agency staff, contractors, members of the Council (including independent members), volunteers and consultants.

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<th>Page No.</th>
</tr>
</thead>
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<td>2</td>
</tr>
<tr>
<td>What are the principles?</td>
<td>1</td>
</tr>
<tr>
<td>Golden Rules</td>
<td>4</td>
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<tr>
<td>Employee Responsibilities</td>
<td>4</td>
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<tr>
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</tr>
<tr>
<td>Further support and guidance</td>
<td>6</td>
</tr>
</tbody>
</table>
The Bribery Act Policy

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (section 1). It also makes it an offence to ask for, agree to receive, or accept a bribe (section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of getting or keeping business or an advantage in carrying out business.

There is also a new corporate offence under section 7 of the Bribery Act that we will commit if we fail to prevent bribery that is intended to get or keep business or an advantage in business for our organisation. We are no longer able to claim we were not aware of bribery and may be responsible as an organisation, but we will have a defence if we can show we had adequate procedures in place designed to prevent bribery by our staff or by people associated with our organisation.

Bribery Act policy statement

Bribery is a criminal offence. We do not offer bribes to anyone for any purpose, indirectly or otherwise, and we do not accept bribes. This includes the use of other people, or organisation’s, giving bribes to others.

We are committed to preventing and detecting bribery. We take a tough stance against bribery and aim to ensure this Bribery Act policy is observed throughout the Council.

We will deal with allegations of bribery involving employees under our disciplinary procedure as “gross misconduct”.

The aim of this policy

This policy provides a framework to allow those affected by it to understand and put into place arrangements to prevent bribery. It will work with related policies, and other documents, to identify and report when this policy is breached and aims to ensure that everyone:

- always acts honestly and protects the council’s resources they are responsible for; and
- keeps to the spirit, and letter, of the laws and regulations that cover our work.

Scope of this policy

This policy applies to all our activities. All levels of the Council are responsible for controlling the risk of bribery and we encourage schools, suppliers and other organisations we work with to adopt policies that are consistent with the principles set out in this policy.

The Bribery Act policy applies to and covers everyone working for us, or on our behalf, including all permanent employees, temporary agency staff, contractors, members of the Council (including independent members), volunteers and consultants. Everyone, at all levels of the Council, has a responsibility to control the risk of bribery occurring.
What are “adequate procedures”

For this Council to show that we take the Bribery Act seriously, we need to show we have adequate procedures in place designed to prevent bribery. Whether our procedures are adequate will be for the courts to decide. Our procedures need to be in proportion to the level of risk of bribery in our organisation. Individual organisations can refer to six principles to decide whether their procedures are in proportion to the level of risk. These principles are not prescriptive. These principles are intended to be flexible, allowing for the different circumstances of organisations. Small organisations will, for example, face different challenges to those faced by large multi-national organisations. The detail of how an organisation applies these principles will be different depending on the organisation, but the outcome should always be effective Bribery Act procedures.

What are the principles?

1. Proportionate procedures
An organisation’s procedures to prevent bribery by the people associated with it should be in proportion to the risks of bribery it faces and to the nature, scale and complexity of the organisation’s activities. They should include interrogation of data for the purpose of discovering evidence and ensuring personal data is protected. The procedures should also be clear, practical, accessible and effectively put into place and enforced.

2. Commitment at the top levels of our organisation
Our Cabinet and Senior Management Team are committed to preventing bribery by the people associated with us. They help create a culture in our organisation where bribery is never acceptable.

3. Risk assessment
We regularly assess how and to what extent we will be exposed to potential risks of bribery as part of a wider fraud risk assessment. We keep a record of the assessment, which include financial risks and also other risks such as damage to our reputation.

4. Due diligence
We apply due diligence procedures in relation to people who provide services for or on behalf of our organisation to reduce the risks of bribery. This would include carrying out checks on such organisations or companies and ensuring that they have similar anti bribery processes in place.

5. Communication (including training)
We aim to make sure that our policies and procedures to prevent bribery are understood throughout our organisation. We do this through communication inside and outside of our organisation, including training.

6. Monitoring and review
We monitor and review the procedures designed to prevent bribery and make improvements where they are needed. The Monitoring Officer and Counter Fraud Manager (Assurance Group) will oversee this. We are committed to putting these
Appendix G

principles into place as should we be found guilty of an offence under section 7 of the Act, can be fined an unlimited amount.

Facilitation payments
Facilitation payments are unofficial payments made to public officials in order to get them to take certain actions or take actions more quickly. Facilitation payments are illegal under the Bribery Act and we will not tolerate them.

Gifts and hospitality
This policy is in line with our gifts and hospitality policy (this can be read on the Council Intranet). The gifts and hospitality policy make it clear that if members of the council or staff are offered gifts, in their council role, they should not accept anything with more than a token value (examples of things that are of token value include bottles of wine, boxes of chocolates, flowers, pens, calendars and diaries).

Public contracts and failure to prevent bribery
Under the Public Contracts Regulations 2015, persons are to be excluded from consideration to be awarded public contracts if they have been convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from competing for public contracts. This is a complex area and procurement advice must be sought where verification has revealed conviction(s) relating to bribery, fraud and other specified unlawful activities within the Regulations. However, we can exclude organisations convicted of this offence from competing for contracts with us. We will include standard clauses in our commercial contracts forbidding bribery and corruption.

Golden Rules

We will not tolerate bribery and those covered by the policy must not:

- give, promise to give, or offer a payment, a gift or hospitality with the expectation or hope that they will receive a business advantage, or to reward a business advantage that they have already been given;
- give, promise to give, or offer a payment, a gift or hospitality to a government official or representative to speed up a routine procedure;
- accept a payment from another person or organisation if they know or suspect that it is offered with the expectation that it will give them a business advantage;
- accept a gift or hospitality from another person or organisation if they know or suspect that it is offered or provided with an expectation that they will provide a business advantage in return;
- act against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy; or
- take part in activities that break this policy.

We are committed to:

- setting out a clear Bribery Act policy and keeping it up to date;
- making all employees aware of their responsibility to always keep to this policy;
- training employees so that they can recognise and avoid the use of bribery;
- encouraging our employees to be aware and to report any suspicions of bribery;
Appendix G

- providing our employees with information on suitable ways of telling us about their suspicions and making sure we treat sensitive information appropriately;
- investigating alleged bribery and helping the police and other authorities in any prosecution that happens because of the alleged bribery;
- taking firm action against any people involved in bribery; and
- including appropriate clauses in contracts to prevent bribery.

Employee Responsibilities

All the people who work for us or are under our control are responsible for preventing, detecting and reporting bribery and other forms of corruption. All staff must avoid activities that break this policy and must:

- make sure they read, understand and keep to this policy; and
- tell us as soon as possible if they believe or suspect that someone has broken this policy, or may break this policy in the future.

Anyone covered by the policy found to break it will face disciplinary action, potentially leading to dismissal for gross misconduct and/or may also face civil and/or criminal prosecution.

Reporting a concern

We all have a responsibility to help detect, prevent and report instances of bribery. If anyone has a concern about suspected bribery or corruption, they should speak up. The sooner they act, the sooner the situation can be dealt with. There are several ways of informing about any concerns including talking to a line manager first or one of the contacts listed in the Whistleblowing Policy if this is more appropriate.

Those reporting concerns do not have to give us their name. Upon receiving a report about an incident of bribery, corruption or wrongdoing, action will be taken as soon as possible to assess the situation. There are clear procedures for investigating fraud and these will be followed in any investigation of this kind. In some circumstances, we will have to consider reporting the matter to the Police or other agency.

Staff that refuse to accept or offer a bribe, or those who report concerns or wrongdoing can understandably be worried about what might happen as a result. To encourage openness and anyone who reports a genuine concern in the public interest will be supported under this policy, even if they turn out to be mistaken. There is a commitment to making sure nobody is treated badly because they have refused to take part in bribery or corruption, or because they have reported a concern.

Further Support & Guidance

If there are any questions about these procedures, the Monitoring Officer can be contacted on 020 8227 2114; alternatively, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lbbd.gov.uk or by visiting our intranet pages.
AGENDA ITEM 9

AUDIT AND STANDARDS COMMITTEE

16 November 2020

Title: Standards Complaints Update

Report of the Monitoring Officer

<table>
<thead>
<tr>
<th>Open Report</th>
<th>For Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wards Affected: None</td>
<td>Key Decision: No</td>
</tr>
<tr>
<td>Report Author:</td>
<td>Contact Details:</td>
</tr>
<tr>
<td>Dr. Paul Feild, Senior Governance Lawyer</td>
<td>Tel: 0208 227 2638</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:paul.feild@lbbd.gov.uk">paul.feild@lbbd.gov.uk</a></td>
</tr>
</tbody>
</table>

Accountable Strategic Leadership Director: Fiona Taylor, Acting Deputy Chief Executive and Director of Law, Governance & HR

Summary:

This report is to provide the Committee with an update of complaints against Members of the Council, their current status, outcome and actions taken.

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, this Committee reviewed the structure and drafting of it so as to make improvements in composition and simplify it where possible.

The re-drafted Code was adopted by Assembly on 17th July 2013.

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.

There are currently two complaints which are receiving consideration and a further complaint which was received in June 2020 was dismissed for want of evidence.

Recommendation(s)

The Audit and Standards Committee is recommended to note the report.

Reason(s)

For continued good governance and to ensure that the Standards Committee is aware of complaints against Members of the Council.
1. **Financial Implications**

2.1 There are no financial implications associated with this report.

2. **Legal Implications**

Implications completed by Dr. Paul Field, Senior Governance Lawyer

2.1 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.

2.2 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 – Schedule of Complaints received.
### Member Complaints – Monitoring Officer Rolling Record

<table>
<thead>
<tr>
<th>Ref:</th>
<th>Receipt of Complaint 2020</th>
<th>Member</th>
<th>Complainant</th>
<th>Nature of Complaint</th>
<th>Investigation</th>
<th>Standards Hearing</th>
<th>Outcome</th>
<th>Status (Open/ closed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC 1/20</td>
<td>17 Jan</td>
<td>Single Member</td>
<td>Officer</td>
<td>Code of Conduct</td>
<td>Completed consultation with Member</td>
<td>To be determined</td>
<td>On/Going</td>
<td>Open</td>
</tr>
<tr>
<td>MC 3/20</td>
<td>1 June</td>
<td>Single Member</td>
<td>Citizen</td>
<td>Code of Conduct</td>
<td>Completed</td>
<td>No</td>
<td>Case dismissed for want of evidence</td>
<td>Closed</td>
</tr>
<tr>
<td>MC 4/20</td>
<td>16 July</td>
<td>Single Member</td>
<td>Officer</td>
<td>Code of Conduct</td>
<td>In process of clarifying issues and facts</td>
<td>To be determined</td>
<td>On/Going</td>
<td>Open</td>
</tr>
<tr>
<td>Meeting</td>
<td>Agenda Items</td>
<td>Lead Officer</td>
<td>Reports deadline</td>
<td></td>
<td></td>
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