

FAREHAM

BOROUGH COUNCIL

AGENDA

AUDIT AND GOVERNANCE COMMITTEE

Date: Thursday, 20 July 2023

Time: 6.00 pm

Venue: Collingwood Room - Civic Offices

Members:

Councillor Ms F Burgess (Chairman)

Councillor R Bird (Vice-Chairman)

Councillors Mrs T L Ellis
H P Davis
N R Gregory
D J Hamilton
S D Martin

Deputies: Ms C Bainbridge
M R Daniells



1. Apologies

2. Minutes (Pages 5 - 8)

To confirm as a correct record the Minutes of the Audit and Governance Committee meeting held on the 13 March 2023.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Directions

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct.

5. Deputations

To receive any deputations of which notice has been lodged.

6. Counter Fraud Annual Report (Pages 9 - 20)

To consider the Counter Fraud annual report by the Head of Finance and Audit.

7. Head of Internal Audits Quarterly Report (Pages 21 - 30)

To consider a report by the Head of Finance on Audit on the internal audit work since the last meeting.

8. Annual Governance Statement (Pages 31 - 64)

To consider a report by the Head of Finance and Audit on the Annual Governance Statement.

9. Head of Internal Audits Annual Opinion (Pages 65 - 80)

To consider a report by the Head of Finance and Audit on the Internal Audit Annual Opinion.

10. Monitoring Officer Report (Pages 81 - 100)

To consider a report by the Monitoring Officer on items which require reporting but do not justify full report to be brought to the Committee for consideration.



A WANNELL
Chief Executive Officer

Civic Offices
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12 July 2023

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FAREHAM

BOROUGH COUNCIL

Minutes of the Audit and Governance Committee (to be confirmed at the next meeting)

Date: Monday, 13 March 2023

Venue: Collingwood Room - Civic Offices

PRESENT:

Councillor Ms F Burgess (Chairman)

Councillor R Bird (Vice-Chairman)

Councillors: Mrs T L Ellis, H P Davis, N R Gregory, D J Hamilton and
S D Martin

**Also
Present:**



1. APOLOGIES

No apologies of absence were received at the meeting.

2. MINUTES

RESOLVED that the Minutes of the Audit and Governance Committee meeting held on the 21 November 2022 be agreed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

The Chairman made the following announcement –

I would like to take this opportunity to welcome Councillor H Davis to his first Audit and Governance Committee meeting, following his recent appointment.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest made at this meeting.

5. DEPUTATIONS

No deputations were received at the meeting.

6. EXTERNAL AUDIT - AUDIT RESULTS REPORT

The Committee received a report by the Deputy Chief Executive Officer and presented by the External Auditors (Ernst and Young), on the results of the Annual External Audit of the accounts.

The Chairman addressed the Committee to advise that although the agenda states that the Statement of Accounts is included at this item, the document itself is not included. Commentary within the report explained the arrangements for the agreement and publication of the 2021/22 accounts outside of the meeting.

RESOLVED that: -

- a) the Audit and Governance Committee notes the contents of the Audit Results Report (Appendix A); and
- b) the Deputy Chief Executive Officer and the Chairman of the Audit and Governance Committee will sign the Letter of Representation, subject to the external auditors completing their outstanding procedures and any further amendments to the accounts, or a revised Letter of Representation, being agreed by the Deputy Chief Executive Officer in consultation with the Chairman of the Audit and Governance Committee.

7. TREASURY MANAGEMENT STRATEGY

The Committee received a report by the Deputy Chief Executive Officer on the Treasury Management Strategy for 2023/24.

RESOLVED that the Committee note the Treasury Management Strategy and Prudential Indicators for 2023/24, attached as Appendix A to the report.

8. RISK MANAGEMENT MONITORING REPORT

The Committee received a report from the Head of Finance and Audit on the latest Risk Management Monitoring which provided evidence that the risk management policy is effective.

The Chairman expressed concern over the risks relating to staffing, which appears to be a common theme across several of the service areas. This needs to be looked at as an overarching, corporate risk rather than departmentally. Officers clarified that this is a focus for senior management and the HR department, to ensure a holistic approach to manage all staff associated risks across the Council. This approach includes, succession planning, exploring a better work life balance and improved recruitment packages.

Comments were received from members pertaining to the social media risk included in the report and subsequently agreed that the appropriate risk management activity had been implemented.

Members asked for assurance that the resources available to the Legal Partnership would be a continued area of focus as the Executive recently agreed to continue the contract with the Southampton Legal Team for a further 10 Years.

RESOLVED that the Audit and Governance Committee reviewed the report as a source of evidence that the current Risk Management Policy is operating in practice.

9. HEAD OF AUDITS QUARTERLY REPORT

The Committee received a report from the Head of Finance on Audit on the work of the internal audit team since the last meeting.

Members enquired about the five high risk audits in the 2023/24 Internal Audit Plan and asked if these would be prioritised for delivery due to their risk level. The Head of Finance and Audit addressed the Committee to confirm that these audits are categorised as high risk for various reasons and do get prioritised for completion but may need to be carried out later in the year due to auditee and other considerations. The expectation is that these audits, along with all those in the plan, including the fundamental system audits, will be completed sufficiently within 2023/24 to provide an audit opinion, but this cannot be guaranteed due to the impact on services and resources

RESOLVED that the Audit and Governance Committee: -

- a) notes the progress and findings arising from Internal Audit work; and
- b) approved the proposed full plan for the 2023/24 audit year as set out in Appendix Three.

10. MONITORING OFFICER REPORT

The Committee received a report by the Monitoring Officer on items which require reporting but do not justify a full report to be brought to the Committee for consideration.

Members enquired about the training provided to officers with regards to the changes to the authorisation limits and asked that this be robust, to not only protect the Council's finances but also protect the officers from accidental errors.

RESOLVED that the Audit and Governance Committee: -

- a) note the contents of Part One of the report; and
- b) asks Members to pass comment on the matters for Council endorsement in Part Two of the report.

(The meeting started at 6.00 pm
and ended at 6.58 pm).

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Head of Finance and Audit

Subject: COUNTER FRAUD ANNUAL REPORT

SUMMARY

This report updates the Committee on the counter fraud work carried out in the last 12 months including the numbers and outcomes of fraud cases.

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee note the contents of the report.

INTRODUCTION

1. This report provides an update of any actions taken in the last 12 months in support of our Anti-Fraud and Corruption Policy. It also includes details of the cases of fraud that have been investigated.

ACTIVITY SINCE THE LAST REPORT

Strategic Actions

2. **GCFP Framework Compliance:** The Government Counter Fraud Profession (GCFP) was launched in October 2018 to develop a common structure for counter fraud capability across government. The GCFP sets a corporate fraud standard across government and recognises the skills required for an adequate and effective counter fraud unit. The GCFP Board is developing an accreditation route against this standard. Although this accreditation is not currently available the Council commissioned an internal audit of how its processes currently compare against the standard.
3. The audit concluded that the Council is currently fully compliant with 21 (72%) of the 29 areas of the functional standards. The main areas for improvement are:
 - To reintroduce a Fraud Action Plan of planned proactive work
 - To refresh the documented Irregularity Response Plan
 - To strengthen the fraud awareness training plan for all employees

Resources have been allocated to progress these actions in the coming years.

4. **Joint working with the DWP:** As reported last year, the joint working arrangements ceased immediately upon lockdown in March 2020 and all Department for Work and Pensions (DWP) investigators were seconded to the Universal Credit team or to dealing with telephone interviews. Some DWP investigators have returned to normal duties so joint working has resumed, albeit rather slowly. It was anticipated that more joint working cases would be resolved during 2022 but this has unfortunately not been the case.
5. DWP have recently made contact with local authorities and it is anticipated that joint working protocols will resume, although in a smaller capacity. Due to this, some cases of Council Tax Support fraud have had to be passed over to the DWP to deal with alongside their benefits cases using their own methods as we are not able to investigate them within the constraints of the legislation.
6. **Investigation of Housing Fraud/Council Tax/Council Tax Support:** Housing fraud work and some Council Tax support fraud investigations have now resumed, after the redeployment of resources to assist with grant fraud in previous years. A few interesting cases resulting are mentioned later in the report.
7. **Fraud Awareness and Document Verification:** Referrals of fraud from the Council's staff have decreased over the last few years. Targeted fraud

awareness training was therefore rolled out by the Investigations Officer to the Council Tax, Environmental Health, Benefits, Housing Options and Neighbourhood Teams. This has been supplemented, in April 2023, with training on Document Verification provided by an external supplier. There were 35 attendees at this training from services across the Council.

Specific Areas of Fraud

8. **Energy Rebate Scheme:** In 2022/23 a new area of counter fraud work was required following the introduction of the Government Energy Rebate schemes for domestic households.
9. The first schemes involved making £150 energy rebate payments to households paying council tax in bands A-D who were resident in the borough on 1 April 2022. Under the schemes the council paid out:
 - 35,550 mandatory grants – Totalling £5,332,500
 - 319 discretionary grants – Totalling £47,850
 - 3,774 top-up payments – Totalling £74,499
10. Approximately 18% of eligible households did not pay their council tax by Direct Debit so an application process had to be used to obtain and verify bank account details before payment could be made.
11. A team of officers, including all the counter fraud staff, were redeployed to the rebate project and a number of counter fraud measures were employed in the processing of applications including:
 - Checks that the household met the eligibility criteria and were the council tax bill payer
 - Checks that the bank account details had been provided by the correct party and matched the unique identifier sent in the invite
 - Checks that the applicant had not already been paid and/or had made multiple applications
 - Checks, using the government Spotlight tool, that the bank account details were valid and match the details of the eligible party
12. The checks resulted in 597 (11%) of the applications being rejected for the following reasons:

Reasons for rejection	
Duplicate Application	559
Already Paid	23
Not in Borough	9
Not living in the property on 1/4/22	4
Misused someone else's code	1
Other issue	1
	597

13. Two further streams of counter fraud work commenced in February/March 2023:
- **The Energy Bills Support Scheme Alternative Funding (EBSS AF)** – this scheme provides a one-off £400 non-repayable discount to eligible households, such as tenants, who have not received the main EBSS payment automatically to help with their energy bills between 1 October 2022 and 31 March 2023. This scheme is also open to care home residents who are either fully or partly self-funded.
 - **The Alternative Fuel Payment Alternative Fund Scheme (AFP AF)** – this scheme provides a one-off £200 payment where households use alternative fuels – such as heating oil, biomass and liquefied petroleum gas (LPG) – as the main source of heating and do not have a direct relationship with an energy supplier. For example: mobile home residents.
14. Both of these schemes require applicants to apply for the grants through the central government portal where some eligibility checks are carried out prior to the application being forwarded to the Council for further due diligence checks and payment.
15. Similar checks are therefore being carried out on these applications including:
- Checks that the applicant has provided adequate supporting documentation such as care home invoices in respect of EBSS applications and fuel receipts in respect of Alternative Fuel Payment.
 - Checks that the applicant has not already been paid and/or has made multiple applications
16. **COVID Business Grants Data Match:** Following the completion of the Business Grants a data matching exercise of all 10,971 payment records was carried out of the business grant data to identify any potential duplicate payments that got through and any evidence of internal fraud. A detailed follow up of all the resulting exception reports has now been completed and no evidence of fraud and abuse has been found, that had not been picked up in the original due diligence checks.
17. **Council Tax SRD Review:** The Single Resident Discount review has been refreshed as part of the annual billing process in February 2023. Approximately 15,000 residents in receipt of the discount were asked to confirm their continued entitlement via an online portal or by returning the questionnaire in the post. Where the questionnaire is not returned, officers will ultimately remove the discount entitlement.
18. As at the last count in mid-May 6,487 (43%) of the forms had been returned and logged. The Council Tax team will then start chasing up any responses not received and verifying the information contained from the completed forms.
19. **Housing Options Fraud:** A discussion with the Housing Options Team highlighted a skills gap in some of the processes being used to verify an

applicant's circumstances. Actions have therefore been taken to strengthen the Councils arrangements including:

- Use of the Investigations Officer to lead on running credit reports and briefing officers on issues arising.
 - Providing in-depth training to the Housing Options Team on interviewing skills, verification of documents and credit reports.
20. This initiative has ensured that Housing Waiting list applicants are being properly scrutinised and ensures information supplied is investigated before a decision is made. A number of applications have been stopped at the first stage due to this enhanced scrutinisation of applications.

INVESTIGATION REFERRALS AND OUTCOMES

21. The information provided in [Appendix B](#) shows the number of fraud and irregularity cases received and investigated in the last financial year, and the information required to be published on our website in accordance with the Transparency Code.
22. There was a total of 334 cases investigated, leading to 44 cases of fraud or irregularity being found. These amounted to a total value of £23,943 of either attempted or actual fraud or irregularity. The largest area this year related to duplicate creditor payments identified from the NFI matches.

Whistleblowing and Anti-Bribery

23. There were 6 issues raised by employees in the last 12 months which have been investigated and appropriate actions taken. No employee has felt it necessary to raise concerns outside the organisation.
24. There were no cases of attempted bribery of a Council employee which were handled under the Council's Anti-Bribery policy.

Sanctions

25. The Council had a successful prosecution of Tenancy fraud in the year which resulted in the Council being awarded an Unlawful Profit Order of £1,249. This must be paid by the fraudster immediately or else interest is accrued.
26. There have been no administrative penalties authorised by Fareham Borough Council. However, two civil penalties totalling £140 were issued for Council tax related fraud resulting from an investigation. Other civil penalties have also been issued for cases of failing to inform the Council promptly of a change of circumstance affecting a Council tax discount.
27. There was one Council Housing house recovered in the year following an investigation into non-residency.

Interesting cases

28. **Tenancy fraud:** Suspicions were raised to the Council as it was suspected that a council tenant was not living at her 3-bedroom property and instead was allowing her adult children to live there and pay her rent. An extensive investigation took place which identified that the tenant was living in another part of the borough permanently. Evidence was obtained of rent payments being made and surveillance was undertaken.
29. This was all denied during an interview under caution and a defence raised which was followed up and found to be untrue. Based on this and all other evidence that had been obtained a Notice to Quit and Notice Seeking Possession were served and the keys to the property were returned by the tenant.
30. It was also decided that due to the seriousness of this fraud and the length of time it had taken place, we would seek further sanction through the court process. The case was taken to Magistrates Court and the tenant pleaded guilty to the charges brought against her. She was sentenced to 6 months imprisonment, suspended for 12 months. This case was also reported by the Council through its social media channels and in the local media.
31. **Housing Options Fraud:** A case was referred by the Housing Options Team as the purported landlord of a property lived in Gosport. This 'landlord' had been approached by a Fareham resident who needed urgent accommodation as she was becoming homeless. A rent in advance and deposit payment was requested by the 'landlord' of approximately £2,000. Extensive enquiries found that the 'landlord' did not live at the address in Gosport but in fact lived in London under various aliases and was using this Gosport address without the real residents' knowledge. This was found to be a scam and was reported to Action Fraud who were already aware of this individual from other cases across the country.

NATIONAL FRAUD INITIATIVE

32. The National Fraud Initiative (NFI) is a mandatory data matching exercise organised by the Cabinet Office. All data sets requested since the last report have been submitted on time.
33. There has been a new exercise completed since the last report which falls into the 2022/23 financial year, resulting in 2,068 extra matches to review. The majority of these relate to council tax single resident discount matches.

Progress made on clearance of NFI matches					
Fraud category	Number of Matches as at end of last year	Number of Matches now including all releases up to 31/3/23	Total closed as per last year	Total closed as per this year (as at 23/06/2023)	Matches left to clear as at 23/06/23
Matches from the 2020/21 2-Yearly Main Exercise (No new matches since 14/12/2021)					
Benefits	30	25	21	21	4
Council Tax Reduction	192	148	148	148	-
Housing Tenants	143	41	10	10	31
Waiting List	56	56	4	4	52
Right to Buy	1	1	-	-	1
Payroll	12	12	4	4	8
Procurement	3	3	-	-	3
Grant Recipients	76	76	76	76	-
Creditors	282	282	-	-	282
sub-total	795	644	263	263	381
Matches from the 2022/23 2-Yearly Main Exercise (received from Jan 2022 to March 2022)					
Benefits	-	14	-	14	-
Council Tax Reduction	-	78	-	77	1
Waiting List	-	19	-	19	-
Right to Buy	-	1	-	1	-
Payroll	-	4	-	2	2
Creditors	-	116	-	114	2
sub-total	-	232	-	227	5
Matches from the Recheck Annual Exercises					
Council Tax	2,601	4,588	-	10	4,578
Total	3,396	5,464	263	500	4,964

34. The table above shows the progress made on clearing all matches since the last report. Work in the year targeted the new exercise matches. There have been no new fraud cases arising from the clearance of NFI matches in the last year. However, 5 creditors duplicate payments were found totalling £19,189. Most of this money has since been returned.
35. More detail of how much fraud and error has been identified from each NFI exercise in the last 10 years is provided in [Appendix A](#).

USE OF LEGAL POWERS

36. Key powers available to investigators for the detection and prevention of fraud are:
- Powers of Surveillance, using a Covert Human Intelligence Source (CHIS), or obtaining Communications data designated by the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016.
 - Authorised Officer powers to obtain information from specified parties including employers, utilities companies and banks under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 Regulations and the Prevention of Social Housing Fraud (Power to require Information) (England) regulations 2014

37. There are several safeguards in the Council processes to make sure that investigation powers are only used when legal, proportionate and necessary. These include:
- a) All RIPA applications are required to be authorised by a trained designated officer in the Council.
 - b) All RIPA authorisations for surveillance and CHIS are presented to a magistrate for approval.
 - c) All RIPA applications for communications data are submitted to the National Anti-Fraud Network (NAFN) where they are reviewed and authorised by a NAFN officer before the request for information is issued.
 - d) All approved RIPA authorisations are logged on a central register which flags up when they expire. A formal cancellation form is completed for every application.
 - e) The Council is required to complete annual returns on the use of the RIPA powers and is subject to an inspection every 3 years from the Investigatory Powers Commissioner's Office (IPCO). The last inspection was conducted in January 2022 and no recommendations were made.
 - f) The National Anti-Fraud Network (NAFN) is subject to periodic audits from the Driver & Vehicle Licensing Agency (DVLA) and Fareham was selected in 2021 for an audit. No issues were observed.
 - g) The National Anti-Fraud Network (NAFN) is also subject to an annual inspection from the Investigatory Powers Commissioner's Office (IPCO), which may cover applications made by Fareham Borough Council depending on the sample they select to test. There were none in 2022/23.
 - h) Most Authorised Officer powers are also executed via application to the National Anti-Fraud Network (NAFN). They are reviewed and authorised by a NAFN officer before the request for information is issued.
38. We also report every year to this committee how many times we use these powers, as follows and publish the frequency of our use of authorised officer powers as part of our Transparency data.

Usage in 2022/23

39. There has been 1 authorisation granted under the Regulation of Investigatory Powers Act 2000 (RIPA) between 1 April 2022 and 31 March 2023 which has resulted in a positive result. This is summarised in Appendix B.
40. There have been 148 uses of Authorised Officer powers during investigations in the last 12 months, as detailed in the table below. This compares to 119 last year.

Authorised Officer powers used 1 April 2022 and 31 March 2023	
Prevention of Social Housing Fraud Act	Council Tax Reduction Regulations & Data Protection Act exemptions
26	122

RISK ASSESSMENT

41. There are no significant risk considerations in relation to this report

Appendices:

Appendix A – Cumulative Findings from National Fraud Initiative Exercises

Appendix B - Authorisations for use of RIPA

Appendix C - Annual Fraud Case Figures 2022/23

Background Papers: None

Reference Papers: None

Enquiries: For further information on this report please contact Elaine Hammell (Ext 4344) or Andrea Kingston (Ext 4618).

Cumulative Findings from National Fraud Initiative Exercises in the last 10 years

Year of Exercise*	Type	No. of Matches	No. of Fraud Cases found	No. of Errors found	Value of Fraud & Error cases
2022/23	Council Tax	1,987	0	0	0
2022/23	Full Exercise	232	0	5	£19,189
2021/22	Council Tax	2,601	0	0	0
2021/22	Full Exercise	795	0	3	£3,707
2020/21	Council Tax	3,048	0	3	£4,680
2020/21	Full Exercise	636	4	29	£33,075
2019/20	Council Tax	4,302	2	15	£35,389
2018/19	Full Exercise	1,628	4	29	£33,075
2017/18	Council Tax	3,577	16	8	£17,466
2016/17 & 2017/18	Full Exercise & Extra matches	1,624	1	8	£3,563
2016/17	Council Tax	669	25	32	£24,176
2015/16	Waiting List	42	0	7	0
2014/15+2015/16	Full Exercise	994	13	12	£15,901
2014/15+2015/16	Council Tax	1,054	6	0	£3,149
2014/15	Student Loans	19	1	0	£1,258
2013/14	Council Tax	553	34	4	£15,108

*Compilation of the results of NFI started to be compiled in this way in 2008/09. Those exercises in bold have been completed so there will be no further findings.

Appendix B**Authorisations for use of RIPA (April 22 to March 23)**

Ref No	Date Authorised Internally	Authorising Officer	Suspected Offence	Investigation power used	Date Authorised by a Magistrate	Duration of authorisation (in days)	Outcome for the Investigation
1	17/05/2022	Head of Housing and Benefits	Undeclared partner leading to: Housing Benefit Fraud Council Tax Support Fraud Council Tax Fraud (Single Resident Discount) Tenancy Fraud	Surveillance	25/05/2022	91	Evidence obtained that crime or disorder MAY BE occurring

Annual Fraud Case Figures 2022/23 compared to last year

	2022/23				2021/22		
	Number of Fraud Cases				Number of Fraud Cases		
Type of Fraud	Investigated	Fraud Concluded	Value		Investigated	Fraud Concluded	Value
Housing Benefit and Council Tax Benefit	32	2	£3,085		11	4	£24,027
Council Tax Support	96	5	£673		54	8	£8,045
Council Tax	16	4	£996		7	4	£2,701
Business Grants	-	-	£0		118	26	£88,522
Housing	46	2	£0		37	7	£253,800
Procurement	114	5	£19,189		1	1	£0
Permits and Passes	-	-	£0		-	-	£0
Other	-	-	£0		-	-	£0
SUB-TOTAL	304	18	£23,943		228	50	£377,095
Other Irregularity	Investigated	Irreg Concluded	Value		Investigated	Irreg Concluded	Value
Employee and Payroll	26	24	£0		9	4	£6,114
Finance and Insurance	-	-	£0		-	-	£0
Other e.g. abuse of position	4	2	£0		-	-	£0
SUB-TOTAL	30	26	£0		9	4	£6,114
TOTAL	334	44	£23,943		237	54	£383,209
Sanctions and Redress							
Administrative Penalties levied							
Council Tax Civil Penalties			£140				£280
Housing Benefit recovered			£14,293				£21,869
Business Grants Returned			£722				£20,945
Court costs awarded							£481
Unlawful profit order (POCA)			£1,249				
Total			£16,404				£43,575
Housing properties recovered / prevented		1				4	
Homeless Assistance prevented		0				1	
Non FBC Fraud found (DWP benefits)		1	£0			3	£12,485

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Head of Finance and Audit

Subject: HEAD OF INTERNAL AUDITS QUARTERLY REPORT

SUMMARY

This report is a standard item on the Audit and Governance Committee agenda with the aim of providing Members with the assurances arising from the latest internal audit work. It also gives an update on the progress being made with setting and delivering the audit plans.

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee notes the progress and findings arising from Internal Audit work.

INTRODUCTION

1. This report provides the assurances arising from the latest internal audit work and gives an update on the progress being made with setting and delivering the audit plans.
2. At the beginning of May 2023 Internal Audit welcomed a new Senior Audit and Fraud Analyst thereby returning the service to a full complement of staff.

PROGRESS OF THE 2022/23 AUDIT PLAN

3. Work has commenced on all 25 of the audits in the revised internal audit plan, as noted in **Appendix One**, such that 22 of the audits have been finalised, one is at Stage 5 (a first draft of the report has been received by the Support Officer to be reviewed) and two are at Stage 4 (the Auditor has started to deliver the agreed scope of work).
4. Included in the plan was assurance work carried out by the Portsmouth City Council Audit Team, as part of their audit plan, relating to the Building Control Partnership. This provides positive assurance on the arrangements.

FINALISING PREVIOUS PLANS

5. There were six outstanding audits from the previous Audit Plans. The review of outstanding all audit recommendations continues to be progressed.

FINDINGS FROM COMPLETED AUDITS

6. Ten audits have been completed since the last report as highlighted in the table below. There are no significant findings to highlight.

Audit	Assurance Opinion	Recommendations Made		
		New Essential	New Important	Outstanding Previous Essential or Important
Payroll Key Controls	Strong	-	-	-
Housing System Post Implementation Review	Strong	-	1	-
Annual Procurement Transaction Testing	Strong	-	1	-
Housing Rents	Reasonable	-	3	5
Markets	Reasonable	-	6	2
Data Sharing Agreements	Reasonable	-	6	-
CCTV	Reasonable	-	8	-

Audit	Assurance Opinion	Recommendations Made		
		New Essential	New Important	Outstanding Previous Essential or Important
Business Rates Refunds - Review of 2021/22 Extracts	N/A	-	-	-
Targeted Assistance with Recommendation Implementation	N/A	-	3	-
Combined Reception	N/A	-	11	-

PROGRESS OF 2023/24 AUDIT PLAN

7. Work has started to deliver the 2023/24 audit plan, as noted in **Appendix Two**, such that 2 audits have now reached the fieldwork stage.

RISK ASSESSMENT

8. There are no significant risk considerations in relation to this report

Appendices:

Appendix One – Audits in the 2022/23 Plan

Appendix Two – Audits in the 2023/24 Plan

Appendix Three – Reference tables

Background Papers:

Head of Audit's quarterly report to the Audit and Governance Committee on 13th March 2023.

Reference Papers:

None

Enquiries:

For further information on this report please contact Clare Rogers (Tel: 01329 824691)

APPENDIX ONE

AUDITS IN THE 2022/23 PLAN

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
FUNDAMENTAL SYSTEM AUDITS												
Payroll key controls (1250)	10	5	Strong	↔19/20	July 2023	N	-	-	-	-	-	-
Finance System Data Analytics (1251)	10	15	N/A	No previous audit	March 2023	N	-	1	-	-	-	-
Bank Mandate Fraud (1252)	10	2	Reasonable	No previous audit	November 2022	N	-	1	-	-	-	-
Housing Rents (1259)	10	15	Reasonable	↔ 19/20	July 2023	N	-	3	-	-	5	-
Capital Expenditure and Accounting (1260)	10	10	Strong	⬆ 18/19	March 2023	N	-	2	-	-	-	-
SERVICE AND SYSTEMS – HIGH RISK												
Building Control (1253)	10	N/A	PCC Opinion of Assurance	⬆ 16/17	July 2023	N	-	-	-	-	-	-
Chargeable Garden Waste Collection (1254)	10	10	Reasonable	No previous audit	November 2022	N	-	3	-	-	-	-
Homelessness	Postponed											
Service Charges and Recharges – Leaseholders (1262)	4	15										
Community Centres (1263)	10	8	Reasonable	↔	March 2023	N	-	3	-	-	-	
SERVICES AND SYSTEMS - OTHER												
Facilities Management (1264)	10	5	Reasonable	No Previous Audit	March 2023	N	-	1	-	-	-	-
Tree Review Implementation (1265)	5	12										

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included	New Recommendations			Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
Markets (1266)	10	8	Reasonable	↑ 21/22	July 2023	Y	-	6	3	3	1	1
COMPUTER – FUNDAMENTAL SYSTEMS												
Corporate Software Suite (1267)	10	10	Strong	No previous audit	November 2022	N	-	1	-	-	-	-
Housing System - Post Implementation Review (1268)	10	15	Strong	No previous audit	July 2023	N	-	1	-	-	-	-
CORPORATE, SPECIALIST, GOVERNANCE AND RISK												
Data Sharing Agreements (1269)	10	15	Reasonable	No previous audit	July 2023	N	-	4	2	-	-	-
WIDER WORK												
Compliance with the Government Counter Fraud Professional Standard (1256)	10	-	N/A	N/A	November 2022	N/A	-	3	-	-	-	-
Process Flow for S106 Contributions (1270)	4	-										
Business Rates Refunds - Review of 2021/22 Extracts (1271)	10	-	N/A	N/A	July 2023	N	-	-	1	-	-	-
Anti-Bribery Arrangements (1272)	Postponed	-										
Contract Management (1273)	10	-	N/A	N/A	March 2023	N/A	-	6	-	-	-	-
NFI - Data Privacy Notices (1274)	10	-	N/A	N/A	November 2022	N/A	-	-	-	-	-	-
Annual Procurement Transaction Testing (1275)	10	-	Strong	N/A	July 2023	-	-	1	-	-	-	-
Targeted Assistance with Recommendation Implementation (1276)	10	-	N/A	N/A	July 2023	-	-	3	9	8	5	2

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included	New Recommendations			Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
Government Grant Certifications (1277)	Non-standard audit - completed	-	N/A	N/A	November 2022	N	-	-	-	-	-	-
Combined Reception (1278)	10	-	N/A	N/A	July 2023	N	-	11	-	-	-	-
RESERVE AUDITS												
Information Flow in the Business Rates Team			-									
CCTV (1261) NEW	10	10	Reasonable	↔ 19/20	July 2023	N	-	8	-	-	-	-
Social Media Monitoring by Services Follow Up			-									
Pre-Application Advice Cost Comparison to Income			-									
PCI Compliance			-									
Remote Working and Confidentiality			-									

* A key to the information in this column is given in **Appendix Three**

APPENDIX TWO

Audits in the 2023/24 Plan

Audit Title & Report Number	Stage reached of 10 ⁺	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
FUNDAMENTAL SYSTEM AUDITS												
Income Management (1279)		12										
Main Accounting System & Budgetary Control (1280)		8										
Treasury Management (1281)		12										
Vehicle Management Invoice Management (1282)		10										
Benefits (1283)		12										
SERVICES AND SYSTEMS - HIGH RISK												
Homelessness (1284)		15										
Housing Grants and Home Improvement Loans (1285)		5										
Leisure Centres (1286)	4	12										
Parking Income (1287)		12										
Planning Applications (1288)	4	12										
SERVICES AND SYSTEMS - OTHER												

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
Service Charges - Civic Offices (1289)		8										
Insurance (1290)		12										
COMPUTER FUNDAMENTAL SYSTEM												
Local Government Software package (1291)	1	10										
COMPUTER KEY RISK												
Security and resilience of Council Networks (1292)		12										
CORPORATE, SPECIALIST, GOVERNANCE & RISK												
Fareham Live (1293)		15										
WIDER WORK												
Annual Procurement transaction testing (1294)												
Key Finance System Data Analytics (1295)		15										
Accuracy of VAT coding (1296)	1											
Energy Rebates - data matching of 2022/23 payments (1297)		8										
Anti-Bribery Arrangements (1298)												
Home working - risk assessments and confidentiality arrangements (1299)	1											
Targeted Assistance with Recommendation Implementation (1300)	1	8										
RESERVE AUDITS												

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
Petty Cash and Floats												
Information flow in the Business Rates team												
Social Media Monitoring by services Follow Up												
Pre-application advice cost comparison to income												
PCI Compliance												
Vehicle Management												
Housing Communal services												

* A key to the information in this column is given in **Appendix Three**

APPENDIX THREE - Reference Tables

Scale of Assurance Opinions

Strong	There is a strong system of control designed and operating effectively. Any weaknesses found were low impact and do not significantly affect key controls or the achievement of the objectives of the system.
Reasonable	There is basically a sound system of internal control, but weaknesses were found in system design or compliance, which result in some risk to the achievement of the system objectives.
Limited	There are some weaknesses in the system of control designed or the level of compliance which result in significant risk to the achievement of the system objectives.
Minimal	Fundamental weaknesses have been identified such that many key controls are absent or not operating effectively which may put at risk the achievement of the corporate control objectives.

1. Scale of Recommendation Priorities

Essential	A fundamental weakness in the control system which presents immediate risk to the service or system of a significant nature. Requires urgent attention by management. Reported to the A&G Committee and implementation of proposed actions are monitored.
Important	A significant control weakness where the risk is not imminent or only of a moderate nature. This needs addressing but is not urgent. Reported to the A&G Committee and implementation of proposed actions are monitored.
Advisory	A weakness or opportunity for improvement where the risk poses no great threat and is relatively minor. Consideration should be given to addressing the weakness if there is the appetite and/or capacity to implement the improvements. Actions are not tracked.

2. Stages of An Audit Assignment

Stage 1	The Audit teams have started drawing up the scope of coverage for the assignment.
Stage 2	A scoping meeting has been held with the Sponsor in the client service.
Stage 3	The Terms of Reference for the Assignment have been issued.
Stage 4	The Auditor has started to deliver the agreed scope of work.
Stage 5	A first draft of the report has been received by the Support Officer to be reviewed.
Stage 6	Any additional testing identified has been completed.
Stage 7	An exit meeting has been held with the Sponsor giving the preliminary feedback from the work.
Stage 8	The draft report has been received by the in-house audit team.
Stage 9	The draft report has been issued to the Service Sponsor and is awaiting their response.
Stage 10	The final report has been issued.

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Head of Finance and Audit

Subject: ANNUAL GOVERNANCE STATEMENT

SUMMARY

This report brings the 2022/23 Annual Governance Statement for member approval before publishing with the Statement of Accounts.

RECOMMENDATION

It is RECOMMENDED that the Committee: -

- a) approves the Annual Governance Statement for 2022/23, as attached at Appendix C of the report; and
- b) identify any changes required.

INTRODUCTION

1. The Accounts and Audit Regulations 2015 require the Council to publish a statement on its systems of internal control as follows:

'The relevant authority must ensure that it has a sound system of internal control which:

a) facilitates the effective exercise of that body's functions and the achievement of its aims and objectives:

b) ensures that the financial and operational management of the authority is effective; and

c) includes effective arrangements for the management of risk.'

The relevant authority must, each financial year - conduct a review of the effectiveness of the system of internal control... and prepare an annual governance statement. ... it must consider the findings of the review... by a committee or by members of the authority meeting as a whole; and approve the annual governance statement prepared...by resolution of a committee or by members of the authority meeting as a whole.

The annual governance statement ... must be approved in advance of the relevant authority approving the statement of accounts...and be prepared in accordance with proper practices...'

2. The 'proper practices' for this obligation are regarded to be the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government, which was last revised in April 2016.
3. This report therefore informs members of the processes that have been used to prepare the Annual Governance Statement (AGS) for 2022/23, as attached as Appendix C, and seeks approval for this to accompany the draft Statement of Accounts for 2022/23 which are currently being published.

CHANGES TO THE PROCESS

4. The Governance Framework '*comprises the systems and processes and culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor achievement of the strategic objectives and to 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 framework and is designed to manage risk to a reasonable level*'.
5. The Council has defined its Governance Framework as consisting of 24 components as listed in [Appendix A](#) which is consistent with the 2016 guidance. Three of these are discretionary components which are considered important to this authority; one (Climate Change) is a new component which has been added this year.
6. There have been no changes to the required process identified for the 2022/23. However, the Accounts and Audit (Amendment) Regulations 2022 have now been revoked. Clarification of the requirements has identified that a draft of the Statement should now be published with the draft Statement of Accounts in May

each year. This is much earlier than in previous years. This deadline was missed this year but the timetable will be reviewed to ensure it is met in future years.

RESPONSIBILITIES OF THIS COMMITTEE

7. The annual review of the effectiveness of the Council's governance framework and systems of control has now been completed by the officers on the 'Chief Executive's Assurance Group', who have also compiled the action plan for completion. These findings have been fed into the text of the Annual Governance Statement.
8. Member involvement in the process is important to establish corporate ownership of the governance framework. The specific role of members in the process is to:-
 - (a) confirm that a robust approach has been taken to review the Council's governance framework and systems of internal control;
 - (b) confirm that the sources of evidence are appropriate and support the Annual Governance Statement; and
 - (c) approve the content of the Statement and action plan or make suggestions for improvement.
9. The final version of the Statement, taking on board members' comments, will then be submitted for endorsement by the Chief Executive Officer and the Leader of the Council before being published.

SOURCES OF EVIDENCE

10. Each of the elements of the framework were reviewed and discussed by the Chief Executive's Assurance Group which consists of the Chief Executive Officer, all the directors and the Head of Finance and Audit. The following additional evidence was also reviewed to support the discussions:
 - Summary of external assurances received in the year (listed in [Appendix B](#)).
 - Review of progress made on the actions included in the previous Annual Governance Statement.
 - Annual cyber security assurances
 - Trends arising from internal audit and finance work in 2022/23.

ANNUAL GOVERNANCE STATEMENT

11. The Annual Governance Statement, as attached as Appendix C, has been drafted in accordance with the CIPFA proper practices guidance. The lists of improvements identified during this review are highlighted on pages 24-25 of the statement. It should be noted that these do not necessarily signify a significant control weakness in the Council's framework but tend more to reflect ideas for improvements to existing processes. In particular, this year they also reflect the impact of the pandemic on the way the Council works.

RISK ASSESSMENT

12. The Annual Governance Statement is a statutory requirement and will be published on the Council's internet site with the Statement of Accounts. It is audited by the Council's external auditors.

CONCLUSION

13. This organisation has defined an appropriate Governance Framework on which to base its Annual Governance Statement. The sources of assurance have been subject to a review to allow the Annual Governance Statement to be drawn up for 2022/23.

Appendices:

[Appendix A](#) – Components of the Fareham BC Governance Framework.

[Appendix B](#) – Sources of External Assurance Reviewed this year

Appendix C – Draft Annual Governance Statement 2022/23 (separate attachment).

Background Papers: None

Reference Papers:

CIPFA/ SOLACE - Delivering Good Governance in Local Government - Framework and Guidance 2016

The Accounts and Audit Regulations 2015)


Enquiries:





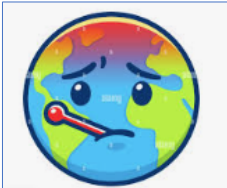
For further information on this report please contact Elaine Hammell. (Ext 4344)

APPENDIX A

Components of the Fareham BC Governance Framework

Mandatory Elements		
1		Openness Documenting a commitment to openness and acting in the public interest
2		Communication Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
3		Vision and Outcomes Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.
4		Vision and Actions Translating the vision into courses of action for the authority, its partnerships and collaborations.
5		Service Quality and Value for Money Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.
6		Members Roles and Responsibilities / Constitution Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.
7		Monitoring Officer Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function.
8		Head of Paid Service Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function.
9		Decision Making Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships, information provided to decision makers, and robustness of data quality.

10		Scrutiny Ensuring an effective scrutiny function is in place.
11		Codes of Conduct Developing codes of conduct which define standards of behaviour for members and staff and that these codes and policies are communicated effectively.
12		Whistleblowing and Conflicts of Interest Developing policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively.
13		Member and Officer Development Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
14		Laws and Policies Ensuring compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.
15		Financial Management Ensuring the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) and, where they do not, explain why and how they deliver the same impact.
16		Risk Management Reviewing the effectiveness of the framework for identifying and managing risks and for performance demonstrating clear accountability.
17		Counter Fraud Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).
18		Partnerships and Governance Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the authority's overall governance arrangements.
19		Internal Audit Ensuring the authority's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.

20		Audit Committee Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities (2013).
21		External Audit Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.
Discretionary Elements		
22		Emergency Planning Ensuring we can respond effectively to an emergency within the borough.
23		Business Continuity Management Reviewing what disruptions, the Council might face to its service delivery and planning to minimise the impacts should they happen.
24		Climate Change (NEW) Ensuring that the Council is showing sufficient leadership in tackling the climate change and sustainability agenda.

APPENDIX B**Sources of External Assurance Reviewed this Year**

Type	Report
External Audit	Draft Audit Results Report 2020/21 (February 2023)
Government Department or Agency	Home England Housing Delivery Grant Funding Compliance audit Report (November 2022)
	Local Government and Social Ombudsman Report 2021/22 (July 2022)
	Information Commissioner's Office Decision Notices (October 2022)
	DVSA – Vehicle Operators Compliance Risk Score, Vehicle Test History, and Vehicle Encounter Report (May 2023)
	Civil Aviation Authority Oversight Reports (November 2022 and March 2023)
	Public Service Network Certificate (Annual Security Health Check)
	The Planning Inspectorate Report on the Examination of the local Plan (March 2023)
	Biometrics and Surveillance Camera Commissioner Survey
Other	Partnership Coverage by other Audit Teams (Project Integra, Coastal Partnership, Portchester Crematorium, Building Control, PfSH)
	Building Control Partnership Quality Management System Assessment Report by BSI (April 2023)
	Insurance Providers Reports (Zurich Crimson defects reports)

FAREHAM
BOROUGH COUNCIL

Annual Governance Statement 2022/23

SCOPE OF RESPONSIBILITY

Fareham Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it is used economically, efficiently and effectively.

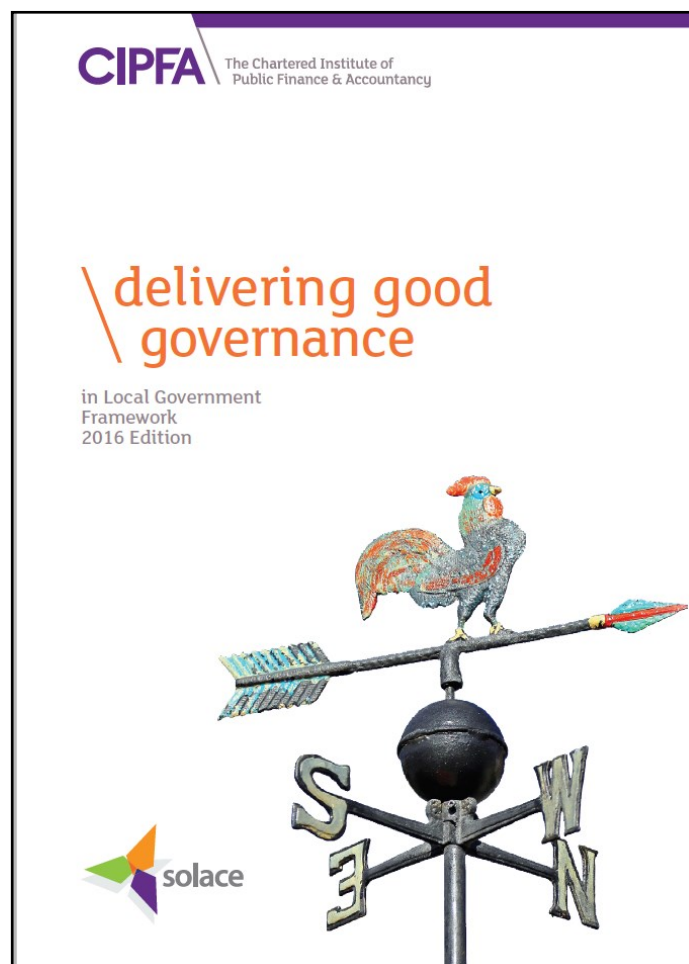
Fareham Borough Council also has a duty under the Local Government Act 1999 to make arrangements securing continuous improvements to the ways in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is responsible for putting arrangements in place for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Fareham Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy's framework; *Delivering Good Governance in Local Government*.

A copy of our code is on our website at: www.fareham.gov.uk/about_the_council/strategies/policydocs.aspx.

This statement explains how Fareham Borough Council has complied with the code and meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6 (1b) which requires all relevant authorities to prepare an annual governance statement.



THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads its communities.

It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process, designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Fareham Borough Council for the year ended 31 March 2023 and up to the date of approval of the Statement of Accounts.

The key elements of the systems and processes that comprise Fareham Borough Council's governance arrangements are summarised in this document.

Openness

The Council seeks to be open and to act in the public's interest. The Community Action Team (CAT) meetings in particular allow open debate on hot topics that come up.

Meetings are also held in the community when there is a need to focus on hot topics of interest to that neighbourhood.

In 2022/23, five summer CAT meetings were held around the Borough giving an update on Council activities. A further CAT meeting was held in September to discuss the future of Daedalus.

During consultations the Council aims to be open about the data sources used and how decisions are made. In 2022/23 there were eight significant consultations which included modifications to the Local Plan, Dog Control Public Spaces Protection Order and Parking

Charges. Around 980 responses were received. Consultations planned for 2023/24 include the Corporate Strategy 2023-2029, electric vehicle charging provision and a number of play areas.

A Freedom of Information Publication Scheme and transparency portal is published on our website which provides financial information and other data about the way the Council is being run.

This can be found on our website at: www.fareham.gov.uk/about_the_council/financial_information/intro.aspx

Regular reviews are also carried out to ensure compliance with the latest requirements of the Transparency Code.

The Council responded to 628 Freedom of Information requests received in 2022/23.

Community Communication

The Council's approach to communication is set out in the Communications and Engagement Strategy. This covers how the Council seeks to engage with the local community, including those who are harder to reach. This Strategy is being realigned with the Corporate Strategy review for the period 2023-2029 and will be finalised in 2023/24. The review is considering other ways to maximise engagement, especially for people in the community with no online access.

The Council's magazine "Fareham Today" is primarily an online publication which is produced three to four times a year. Special editions are produced as required to focus on key topics. Households can still request a printed copy or receive email alerts when an edition is published. By the end of 2022/23 around 1,339 households had signed up to receive printed or email copies and another 397 had the email alert.

The growth in followers on social media across all platforms has continued, which enables informal, two-way conversations with a wider range of people. In 2022/23 the Council saw the biggest increase in Instagram, LinkedIn and Facebook followers. The Council has a number of advertising sites throughout the Borough including digital screens, poster sites, notice boards and bus stops. During 2022/23 the business e-newsletter continued to be issued regularly. Currently over 1,990 businesses are signed up to the newsletter. The Council also issues a seasonal gardening newsletter to 16,490 garden waste subscribers.

The Council has both a Communications Team and a Consultation Team who coordinate and undertake community consultations using a variety of methods. The teams encourage all departments to seek advice on communication methods to be used

for any external communications. When appropriate, an equality impact assessment will be undertaken. The Council set out updated equality policy objectives for 2022-2026 during 2022/23.

Communications methods include use of an e-panel of over 2,100 residents. The Council also has conversations (called 10/10 surveys) with a sample of residents who use key services, which allows us to obtain feedback about what matters to our customers for future improvements. These were put on hold during the pandemic and will resume in 2023/24.

The Council received a national award for its communications campaign for the introduction of the subscription based garden waste collection. The Council's Communications Team has been nominated for a second national award for 2023/24 for the Live Love Local campaign.



There was no use made of community focus groups in the year although they remain a tool to be used when appropriate. Two specialist community groups have been set up during 2022/23 for Solent Airport and Welborne.

Council's Visions and Outcomes

Our Corporate Strategy 2017-2023 describes an overall vision for the Borough - **Fareham: a prosperous and attractive place to be**. It sets out our priorities for improvement over a six-year period. This is available on our website at: [www.fareham.gov.uk/about the council/strategies/keystrategies.aspx](http://www.fareham.gov.uk/about-the-council/strategies/keystrategies.aspx).

During 2021/22 the Council started a full review of the Corporate Strategy 2023-2029. This will be adopted in the autumn of 2023.

A project plan has been drawn up to deliver the Strategy priorities which is monitored by the Chief Executive's Management Team twice a year. A process is being developed to quantify the finances needed to deliver the Corporate Priorities set, and feed these into the Medium-Term Financial Strategy. Achievements from the Strategy in 2022/23 include :

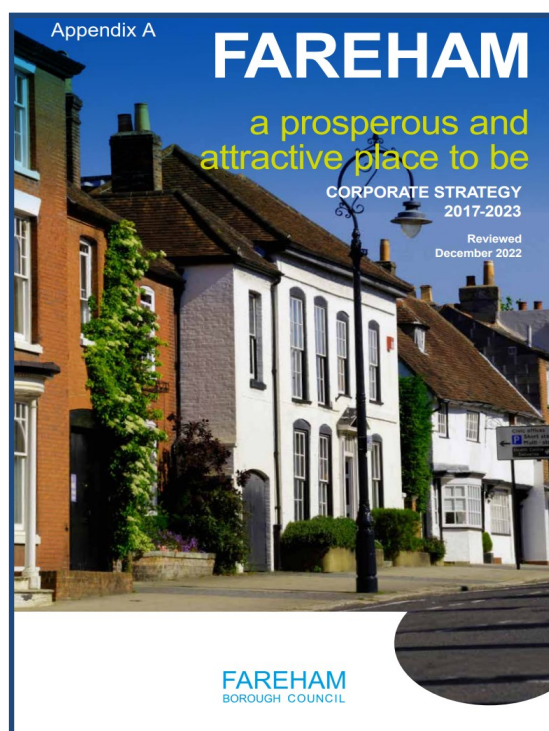
- ✓ The adoption of a new Local Plan which plans for the provision of new homes, employment space and protected land across the Borough up to 2037
- ✓ Design codes and streets manual received for Welborne that will dictate the design, look and feel of Fareham's new garden village.
- ✓ The completion of an affordable housing scheme for older people at Station Road and a shared ownership development at Capella Close
- ✓ Construction of Fareham Live commenced to deliver a new arts and entertainment venue
- ✓ Open space at Daedalus was unveiled to the public as Queen Elizabeth II Platinum Jubilee Park
- ✓ Introduction of nationally recognised visual communication boards in a few play parks to assist children with conditions such as autism.

The Council's purpose and objectives are often affected by changes in legislation and government. For example, the levelling up agenda, climate change targets and government's waste strategy are influencing the new Corporate Strategy. The information from our communication channels is used to put these into local context and identify local priorities.

Some changes need quicker responses outside of the strategic planning process. In 2022/23 this included the delivery of 37,000 energy grants in accordance with the government scheme.

Any changes in the demographics in the Borough are monitored which may influence what our priorities should be. The 2021 census is influencing the new corporate strategy census.

The Executive Leader of the Council gives a presentation and answers questions from residents at the summer Community Action Team (CAT) meetings around the Borough on the Council's vision, objectives, achievements, challenges and priorities.



Service Quality and Value for Money

The Council is implementing a programme of cultural change which is leading to better quality and value for money services. Services have been reviewed using 'Systems Thinking' which redefines the purpose from the customer's point of view, putting them at the heart of everything we do. Reviews help to improve customer experience and speed up service delivery. In 2023/24 the current position of past interventions will be reviewed and work will start on the next phase of the process.

Our Local Service Agreements (LSAs) set out how well the Council is doing on delivering key services in line with its corporate priorities. LSAs include a list of key performance measures which are monitored during the year including 10/10 survey results where available. They are usually updated annually and reviewed by the Chief Executive's Management Team and the Executive. This was last completed in November 2022. In 2023/24 work will be starting to refresh the format in line with the new Corporate Strategy and recommencing the 10/10 surveys.

Internal audit and external inspections provide an independent layer of assurance on the services being provided.

The Council uses the Corporate Opportunities Plan which identifies opportunities for income generation and cost reduction to support the Medium-Term Finance Strategy. 2022/23 saw £1.5 million generated from the garden waste service and the introduction of coastal parking charges. Projects in progress for 2023/24 include the mobile phone review, vehicle replacement programme and Section 106 process. A new opportunities plan is being developed to address the latest financial projections up to 2026/27.

The Council also seeks to identify external funding sources which in 2022/23 included the government's Shared Prosperity Fund.

The Council has a Procurement Team in place to help achieve value for money and service quality from purchasing, lettings and the management of contracts. They provide support, guidance and advice, while challenging the procurement process to ensure adherence to legal requirements. Wherever appropriate, tenders are used to test the market to obtain best value contracts. In 2022/23 the impact of the cost of living crisis and the war in Ukraine has increased the cost of purchases, restricting the savings achievable. However, the Crown Commercial Service Benefit Report of 2022/23 indicated that the Council was benefiting to the tune of £221,800 from the frameworks it was party to. The team brought about a number of successful tenders throughout the year. These included the Cleaning Contract which was retendered to ensure affordability, as well as contracts related to Tree Management, Homelessness Support, Fareham Live Construction and Housing Developments - including one which achieved a significant saving against the earmarked budget.

The Council continues to work in partnership with other councils and uses the joint tendering power this brings to secure supplier interest and savings. For example, in 2022/23 the Council was party to a Hampshire wide procurement for cash collection services. The Council also benefitted from tender work led by the Coastal Partnership.

In 2023/24 a significant project is being carried out to identify opportunities to reduce Council spend with current suppliers by increasing market testing or reviewing the specification.

Member and Officer Roles and Responsibilities

The Council's Constitution sets out:

- How the Council operates
- The roles, responsibilities and relationships between the different Council committees
- The roles of Executive Members, Committee Chairmen, Ward Councillors and Chief Officers
- The functions, responsibilities and post holders of the statutory offices: Head of Paid Service, Monitoring Officer and Chief Finance Officer.

A member/officer protocol lays out how communication is effected between the two roles.

The Constitution continues to be reviewed by the Democratic Services team to keep it as a single reference source that is readily available on the Council's website and also in

a bespoke application for members. Any updates planned are presented to the Audit and Governance Committee as part of the Monitoring Officer's report for each meeting. The Committee then makes recommendations to Full Council for approval. In 2022/23 this included an update to the deputation scheme.

In 2022/23 the electoral review by the Local Government Boundary Commission was completed. New ward boundaries take effect from May 2024.

There has been a change of postholder for the Head of Paid Service from 2023/24. The designated postholder covering the Monitoring Officer responsibilities was operational throughout 2022/23. The Monitoring Officer keeps abreast of changes by attending appropriate courses and the Council subscribes to a national service to obtain advice as necessary.

Decision Making

The Constitution, including the Schemes of Delegation, sets out how different types of decisions are made, including who has the responsibility for making them and what procedures should be followed.

A full schedule of meetings was delivered in 2022/23. The Monitoring Officer and Chief Finance Officer maintain their legal responsibilities to ensure that the Council acts legally and within its financial means.

The Notice of Key Decisions highlights any key decisions due to be made and are published 28 days prior to enable transparency and opportunities for representation. These are discussed by the Chief Executive's Management Team.

Where partnerships have been developed decision making powers and delegated powers are documented and presented to members.

Scrutiny

Our committee structure follows the Executive Leader and cabinet model, which requires us to have a scrutiny function.

The Council uses a Scrutiny Panel for each of its six portfolio areas. Each Panel is made up of seven non-executive councillors and reflects the political balance of the elected members. The Panels normally meet a minimum of four times a year with extra meetings called when needed. In addition, there are two non-executive panels to specifically focus on Climate Change and Daedalus.

During 2022/23 there was a full schedule of Scrutiny Panel meetings. Each Scrutiny Panel has a Priority Plan which identifies the objectives from the Corporate Strategy and areas of the executive function that require their scrutiny; for example budget setting falls under the Policy and Resources Scrutiny Panel. Part of the panels' focus is to be engaged in pre-scrutiny work and to have an input in the decision making process by making recommendations to the Executive. In some cases specific member working

groups are in place to assist in the development of service visions and strategies.

For example, in 2022/23 Scrutiny Panels looked at:

- Affordable Housing Strategy Review
- Coastal Parking Charges
- Neighbourhood Impact of Solent Airport
- Presentation on Coastal Partners
- Draft Empty Homes Strategy
- Food Safety Recovery Plan

The Scrutiny Panels also review reports going, or have gone, to the Executive Committee. In 2022/23 these included the following:

- Kings Coronation Proposals
- Planning Obligations SPD
- Community Infrastructure Review
- Local Plan review
- Energy Rebate Discretionary Policy
- Regeneration of the Fareham Town Centre

There were no call ins of decisions in 2022/23.

Whistleblowing

The Council's Whistleblowing Policy is reviewed by the Audit and Governance Committee as required. The Policy is available to all employees via the intranet where periodic updates are also displayed.

Designated channels including electronic reporting methods are available for employees and members of the public.

Focus groups were used in 2017/18 to challenge the effectiveness of the policy which led to a rebranding in 2018/19 as the 'Raise a Concern Policy'.

During 2022/23 a training module on the policy was developed and is being completed as part of the new starter induction. This will be rolled out to all existing employees who haven't already completed it.

Records are kept of incidents of whistleblowing and the results of investigations arising. Statistics are reported to the Audit and Governance Committee annually.

During 2022/23 there were six investigations resulting from internal whistleblowing.

Codes of Conduct

In accordance with the Localism Act 2011 the Council has a Code of Conduct which sets out the behaviours expected from our members, and arrangements in place to deal with matters of ethics, honesty and member conduct. The national review of the code by the Local Government Association has been concluded with minimum impact on the current code in use. In 2022/23 there was a focus on member personal and online safety. Local arrangements were put in place as part of the national 'Debate not Hate' programme. A review of the local procedures for investigating Member Code of Conduct complaints is now planned for 2023/24 to improve and simplify our processes and update documentation accordingly.

New members receive an induction session on the Code and in 2021/22 a members media pack was developed and provided, with a briefing to all members in 2022/23.

A report is presented annually to the Audit and Governance Committee setting out the number of complaints received about members and any common themes. A standards sub-committee is set up when a significant breach by a member requires investigation and the conclusion is reported at the next meeting of the Audit and Governance Committee and Full Council.

The standards sub-committee was not convened in 2022/23.

The Council's Code of Conduct and Disciplinary Rules and Procedure aim to maintain appropriate standards of conduct at work by employees. It ensures that employees are treated fairly and supports an appropriate culture and working environment, through fair and effective management of disciplinary matters. All new employees are provided with a link to a copy of the code as part of the onboarding process. A review of the code started in 2016/17 but was delayed in order to reflect the National Code of Conduct. However, the national review has now ceased so the Council has continued to update and simplify its own code and this was finalised in June 2022. The new policy has been publicised including consultation with the Unions.

The new code now incorporates the policy on employee gifts, hospitality and interests. A new platform for the Registration of interests has been developed and is accessed via the Council's intranet. In 2023/24 a campaign to refresh employees awareness of the policy and availability of the register will be delivered.

Declaration of a Gift or Hospitality

Declaration of a Gift or Hospitality

Your Details

Your Name *

Gift / Hospitality Details

Date Gift / Hospitality Received *

Details of what was received? *

Who provided it? *

Whom was it given to? *

What happened to it? *

Member and Officer Development

A modular induction and training programme is in place for members. New members complete the core modules within a few months of being elected. The Head of Democratic Services then aims to meet with each new member and identify any additional training needs. In order to comply with our regulatory function requirements refresher training is delivered for all Planning Committee and Licensing and Regulatory Affairs Committee members.

The programme is supplemented by specific topic briefings, some of which are all member events and others are for specific committee members. During 2022/23 seven briefing events took place, covering Welborne updates and design code, Medium Term Finance Strategy, Southern Water consultation and the Fareham Local Plan. Specific member online training and personal safety training was also delivered which was supported by an online guide for members. A new secure app has been developed in 2022/23 to hold a library of briefing information that is accessible remotely. The move to paperless committees was also fully rolled out and supported.

Officer training and development is based around a simplified individual performance management process. There is a coordinated approach to identifying the training needs of the organisation which helps us make the most of money spent on employee development and training.

In the last two years corporate work programmes have been focused on supporting managers leading remote and hybrid teams.

In 2021/22 individual coaching sessions were reintroduced with appropriate employees and these have continued into 2022/23. In

2023/24 these are being expanded to include personal profile analysis for all employees and team performance coaching.

The Council's online training suite, Skillgate, is available for both members and employees, and can be used to create local courses when the generic course does not meet our needs. All new employees complete an online induction package which includes a number of tests and understanding checks before the programme is complete.

Over the last two years the Council has been using a number of methodologies to continuously disseminate ICT Security policy messages. In 2023/24 the Council will be reviewing how to maximise the impact of these going forward.

A leadership training programme has been delivered with the Senior Management Team. This is now feeding into a People Strategy of how to nurture skills across the whole organisation. Specific training in 2022/23 included: Conflict Management, Equality, Diversity and Inclusion and Dealing with Difficult People. Training planned for 2023/24 includes having savvy conversations and document verification.

A holistic approach to awareness of mental health and emotional wellbeing issues has continued. The Council is proactive in identifying where individual support is needed and putting appropriate arrangements in place.

The Council has adopted a co-ordinated approach to recruiting and developing apprentices in line with the government apprenticeship levy scheme. As at the end of 2022/23 three employees remain in the scheme.

Ensuring Compliance with Relevant Laws and Policies

Fareham Borough Council and Southampton City Council are in an established award-winning partnership for the provision of legal services. This helps ensure that the Council has access to a wider range of solicitors for support. It also gives joint responsibility for ensuring the Council identifies changes in legislation and has the right policies and procedures in place to ensure ongoing compliance. A full review of the partnership was completed in 2022/23 which resulted in a new agreement being entered into for ten years with an option to extend for another five years. The partnership has also been extended to include Havant Borough Council and is now called the Southampton, Fareham and Havant Legal Partnership.

A review has been carried out to agree the most significant laws and policies where assurance is needed as part of the governance framework. Part of this assurance is provided by the Internal Audit Service and additional assurance mechanisms are introduced to provide information when needed.

A review of how the Council manages external requests for information, such as under the Freedom of Information Act 2000, was carried out. The processes being used have again been vindicated by some positive judgements by the ICO in 2022/23.

Key policies are regularly reviewed to ensure they are up to date and relevant. New and refresher training is rolled out when considered appropriate. Workshops were held on the debt collection vision as part of the new finance system implementation.

The Council's procurement and contract procedure rules set out how the Council will balance compliance with procurement

legislation and the Local Procurement Guiding Principles. These were updated in October 2022 including improved speed of use in referring to other documents. The constitution was also changed to allow digital contract signing to reduce time and resources involved. In 2022/23 an officer guide was introduced to strengthen internal processes including insurance requirements, accreditations and safeguarding considerations. Tender debriefs have been introduced as a matter of course. Actions have been taken to increase engagement with local Small and Medium Enterprises including Business Expo at the Leisure Centre.

In 2023/24 the Council will continue with preparations to comply with the requirements of the upcoming Procurement Act.

In 2022/23 a new approach to supporting contract management best practice which includes manager training and expert support network was devised and will be piloted in 2023/24. In 2023/24 the Council is exploring a risk based approach to assessing the financial standing of suppliers during the procurement process which is fairer, more proportionate and consistent.

The Council's Financial Regulations were reviewed in line with the current operation of the new financial management system and regulation 3 on authorisation limits was revised. These changes will be implemented on the system in 2023/24. The Council will also finalise the restoration of rules previously put on hold as appropriate.

In 2022/23 the Council took part in a survey organised by the Biometrics and Surveillance Camera Commissioner. No feedback has been received to date.

Financial Management

The Council's arrangements conform to the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government. This was last assessed in 2020.

The Council has adopted an integrated approach to service and financial planning which allows for pressures and opportunities to be considered and reflected promptly in the Council's financial plans. The Council's Medium Term Finance Strategy (MTFS) and Treasury Management Strategy are updated each year and approved by Members.

In 2022/23 the cost of living crisis, in particular, has increased the cost of council wide services in areas such as energy, fuel and building costs. The MTFS for 2023-2027 has now predicted a funding gap in all years. Reserves are available to cover 2023/24 and 2024/25 but action is needed for later years. A new Opportunities Plan for 2023-2027 is therefore being developed to address these predictions and will be a major focus for the Council for the next few years.

The Finance Team are also focusing on closer monitoring of the Collection Fund. The Council has started subscribing to the LG Futures Collection Fund Suite which will be used as a basis for quarterly monitoring in 2023/24. Further work is also planned to assess the cost implications of corporate priorities, and to update the MTFS for any implications arising from the Fair Funding Review when available.

Accountants are established as Finance Business Partners (FBP) to the services they support and they contribute to the development of their services. Finances are monitored regularly through reporting and discussions with budget holders, directors

and the portfolio holder, when appropriate.

At the end of 2021/22 a new finance system went live and opportunities are being taken to strengthen financial processes and reporting. In 2022/23 a suite of corporate financial dashboards was developed and the budgeting and forecasting module was implemented. Further development planned in 2023/24 includes the debt collection, and supplier spend reports and dashboards.

Financial information is published on our website which includes the statement of accounts, six monthly financial monitoring report and the annual budget books. This can be found on our website at [Budgets and Spending \(fareham.gov.uk\)](https://fareham.gov.uk/Budgets-and-Spending)

Twice yearly financial monitoring reports are prepared and presented to the Chief Finance Officer and Executive Members. These focus on services with spend or income over £1 million or which are subject to fluctuations in demand. Senior Finance Managers meet regularly to review the budgetary position and discuss forthcoming pressures and opportunities to allow a forecast position to be established. The FBP's role has been expanded in 2022/23 to provide regular updates on these key services. They also flag up good and bad financial news from their other services.

Regular reports on the Council's loans and investments and Capital Strategy are presented to the Chief Finance Officer, Chief Executive Officer, Executive and Council as appropriate. These meet the requirements of the Prudential Code. In 2022/23 this included a new indicator for the liability benchmark. Treasury investments are made, having taken into account advice from the Council's treasury management consultants in order to reflect current market developments.

Risk Management

The Council has adopted an approach to Risk Management using system thinking principles. This puts the focus on managing risks as an everyday activity rather than using resources to maintain corporate risk registers. This Risk Management Policy consists of seven principles and includes arrangements for monitoring the effectiveness of the policy. This involves holding annual meetings with managers to ascertain risk management activity which has occurred in their services.

Key risks arising from these discussions are documented and presented to the Chief Executive's Management Team and the Audit and Governance Committee in six-monthly reports.

In 2022/23 there was risk management coverage in relation to Solent Airport which resulted in a specific update report to the

Chief Executive's Management Team.

Other specific areas of risk management activity in the year included:

- Security of Officers in dealing with members of the public
- Securing funding for homelessness initiatives
- Recruitment and Retention, and staff welfare initiatives
- Property acquisition cost benefit analysis

Risk management activity planned for 2023/24 includes:

- Review of homeworking assessments
- Due diligence arrangements for Energy Bill Support Scheme
- Further due diligence activities for property acquisitions

Emergency Planning

The Council works in partnership with Portsmouth and Southampton City Councils' Joint Emergency Preparedness, Resilience and Response Team (EPRR) to ensure its readiness to respond to emergencies is maintained and meets the requirements of the Civil Contingencies Act 2004. The Agreement between the Councils is in the process of being renewed.

Actual incidents are responded to in conjunction with Hampshire County Council. There is also close linkage with the Hampshire and Isle of Wight Local Resilience Forum and the Council has continued to respond alongside multi-agency partners to a number of incidents in the year including Operation London Bridge and an incident of local flooding.

The EPRR Team continue to support the

Council via monthly meetings to identify additional areas within emergency planning that require revision and updating to improve the Council's future incident and emergency responses. The Emergency Response Plan was last updated in January 2022 and it continues to receive 'light-touch' updates ahead of its three yearly review (August 2024) .

In 2022/23, the Work Programme remained focused on training the Council's staff on its Emergency Control Centre (ECC) processes, as well as reviewing the Council's Business Continuity Plans.

The Council's Annual Testing Exercise ('Broken Window') was scheduled towards the end of the year . However, this was postponed to 2023/24 due to resourcing issues in the targeted service.

Business Continuity

It was agreed with the EPRR Team that the current Business Continuity Plans (BCPs) required review and work is currently underway with the Council to continue this review throughout 2023/24.

By the end of 2022/23, both the Corporate Plan and Policy for the Council were updated and agreed. The Corporate Plan defines the Council's response to a significant disruption to service delivery. The Policy aims to define the Business Continuity Management Programme Strategy for the Council.

The Service Level BCPs are in the process of being updated following collaborative working with Service Managers and their Directors. This includes working with Critical Activity Owners to ensure that robust plans are in place, in the event of disruption for the most essential Council services.

The aim is for these Service Level BCPs to be completed by the end of the financial year 2023/24.

Climate Change

The Council has made the commitment to become carbon neutral by 2030 across our buildings and services. There is a climate change action plan in place to support this, which consists of over 40 projects. The main focus is on reducing our operational carbon footprint but there are also projects that support our leadership role in the Borough and look to make Fareham resilient to the changes brought by climate change.

A Climate Change Officer Board, which incorporates the Chief Executive's Management Team and the Head of Streetscene, receive quarterly updates on the progress of the action plan and lead on allocating resources as needed.

The member Climate Change Scrutiny Panel also meets quarterly to oversee progress. Scrutiny is also provided by other panels where relevant. For example, the vehicle replacement project was scrutinised by the Policy and Resources, Streetscene and Climate Change panels in a joint meeting. Significant proposals are presented to the Executive.

In 2022/23 achievements included:

- Staff and member energy saving campaign. Electricity consumption continued to be lower than pre-covid levels.
- A 12-month trial of low carbon Hydrotreated Vegetable Oil (HVO) fuel was completed with our small vehicle fleet such as ride on mowers now running on it alongside our Garden Waste vehicles.
- Allocated £30,000 of funding to community centres for small low carbon measures.

In 2023/24 key projects will be:

- Mapping out the journey to carbon neutrality.
- Completing a feasibility study for a new 3.5 MW solar farm.
- Implementing the vehicle replacement programme to include a number of electric vehicles.
- Office LED light replacement programme.
- Approve a programme for installing electric vehicle charging points.
- Applying for decarbonising funding for our leisure centres

Counter Fraud

The Council has adopted an Anti Fraud and Corruption Policy which is supported by a programme of strategic work to review and strengthen our counter fraud arrangements, where needed. These include training, data matching exercises and strengthening our policies and procedures.

The Council has retained professional investigation skills and resources which are used to deliver the programme of work which includes carrying out risk assessments on the top frauds faced by councils to ensure our approach to prevention and detection of fraudulent activity remains cost effective. In 2023/24 the Council will be focussing on a fraud risk assessment of Business Rates.

The Anti Fraud and Corruption Policy was last updated in 2016/17 alongside the Sanctions and Redress Policy. It is planned to start refreshing the suite of fraud policies in 2023/24.

In 2022/23 a review was completed of compliance with the Government Counter Fraud Profession Strategy. Work will commence in 2023/24 to strengthen the framework as time permits.

The work that the Counter Fraud Team was carrying out in relation to Business Grants was extended in 2022/23 to include Energy Grant payments. In total 39,643 payments

were made in the year under the Government initiative. Their role was to assess the risks associated with the payments of grants and to design and implement mitigating actions to reduce the risk of inappropriate payments being made.

In 2022/23 the Investigations Officer was used to support the Housing Options Team in doing counter fraud checks. He also rolled out an awareness programme of fraudulent and manipulated documents used to defraud council processes. This will be supplemented by external training of key services on document verification techniques and a roll-out of equipment to support the process. The Audit and Governance Committee receive an annual update on the work carried out on the counter fraud framework and the nature and results of investigations carried out.

In 2022/23 we investigated 334 cases leading to 44 individual frauds or irregularities being found. These amounted to a total value of £23,943. No large frauds were found in the year compared to previous years. Further statistics can be found on our Transparency webpage:

www.fareham.gov.uk/about_the_council/financial_information/intro.aspx#fraud



Partnership Governance

The Council delivers some services by entering into partnership agreements.

The Council maintains a Corporate List of its significant partnerships. These are assessed for their significance in terms of the results they seek to deliver, their profile/ reputation and resources involved.

The Council recognised 13 partnerships of which nine were deemed significant to the Council in 2022/23.

Lead officers are assigned to each partnership. They are responsible for the day to day liaison and for providing the Chief Executive's Management Team with details of any significant changes to the circumstances / membership of the partnership.

Senior Officers and/or Members sit on the board of the Council's significant partnerships, if there is one, and take an active part in discussions and decision making.

An annual report on partnerships is collated and reviewed by the Chief Executive's Management Team each year to confirm the significance of the partnerships, review any potential governance issues and review how

each is performing. A summary of the review is also included in the annual Head of Audit's opinion report to the Audit and Governance Committee. The latest report was presented to the Chief Executive's Management Team in July 2023

Notable partnership activity in 2022/23 included:

- Substantial Homes England funding was secured for the development of new council homes by working with the Wayfarer Partnership.
- Extension of the Legal Partnership to include Havant Borough Council.
- The Internal Audit Partnership with Portsmouth City Council was utilised in wider ways including providing independent grant certifications and developing data analytics for the new finance system.
- A review was carried out by the new political leadership of the partner for the Environmental Health Partnership. This concluded that they were happy and wish to continue. Discussions have also started to potentially extend the partnership for further services.



Internal Audit and Audit and Governance Committee

The Council has an internal audit service which delivers a risk based plan of work approved by the Audit and Governance Committee. The Council has applied 'Systems Thinking' to the provision of the service to focus on what matters to the organisation. This has informed our Internal Audit Strategy which was last updated in 2018/19 and will be refreshed in 2023/24. Four different strands of work are carried out to inform the annual audit opinion and help the organisation maintain strong systems of control.

In 2022/23 the service was jointly delivered in partnership with Portsmouth City Council. This helps in the delivery of the whole scope of audit work and in maintaining independence. An exercise has also been carried out with other audit teams in Hampshire to document where assurances can be shared.

Managers receive a report of findings following an internal audit review and an action plan is agreed to address any weaknesses found. These actions are tracked until they are completed. An action management system has been developed to improve the information available to managers and help capture updates on implementation.

A summary of the work undertaken and the findings are reported quarterly to the Audit and Governance Committee. In 2022/23 a new format Head of Audit's quarterly report was introduced.

In 2019/20 we completed a review of compliance with the CIPFA statement of the

Role of the Head of Internal Audit 2019. Overall a high level of compliance was found. Changes implemented in 2022/23 was to update the Internal Audit Charter to expand responsibilities of the Head of Internal Audit.

The service operates to the Public Sector Internal Audit Standards and the Internal Audit Charter was updated in 2018/19 to reflect the latest changes. In 2023/24 work will commence on reviewing the requirements of the new Global Internal Audit Standards due to be implemented in 2024/25. Our annual review of compliance with the current standards concluded that in 2022/23 that there was full conformance with 49 of the 52 Audit Standards and partial conformance with the other three. Compensating activities are in place which included an external assessment undertaken by our audit partners in 2022/23.

The Council has an Audit and Governance Committee which undertakes the functions of an Audit Committee in accordance with the CIPFA guidance. It reports directly to the Full Council. It usually meets four times a year and receives reports covering the range of governance issues set out in its terms of reference. In particular it receives the Head of Audit's Annual Opinion Report and the External Auditor's Audit Results Report.

The findings of the review of the Audit and Governance Committee were fully implemented in 2022/23, this included implementing regular reports from the Monitoring Officer and the Head of Internal Audit to support the committee in their strategic governance role.

Head of Internal Audit's Annual Report

Internal audit cannot give absolute assurance but an opinion was provided to the Audit and Governance Committee in July 2023:

Using the information outlined in this report, in the opinion of the Head of Finance and Audit, the Council had a framework of governance, risk management and control for the year 2022/23 which was generally working effectively.

There is awareness amongst managers about their top risks and the importance of control mechanisms within the Systems Thinking culture, and the need to address any major weaknesses found.

The opinion is based on the following evidence:

- ✓ *no "minimal" or limited audit assurance opinions were given this year;*
- ✓ *income or expenditure errors were only recorded in one audits and were very low in value;*
- ✓ *the expenditure errors found in the NFI data matching have been addressed and new controls put in place to strengthen arrangements.*
- ✓ *56% of recommendations followed up were signed off by the audit team and a further 33% were being progressed;*
- ✓ *collaborative working with services on 1 wider work area in the year (Section 106 developer contributions) is leading to an improved workflow process;*

- ✓ *completion of work to address 1 issue highlighted last year:*
 - ◆ *replacing the system to host the employee gifts and hospitality register, supported by the launch of the revised policy*

Good progress has been made on all the following other issues highlighted last year but some work is still needed:

- a) *Rolling out training and support for contract management. **
- b) *Strengthening debt collection and write off processes in a number of services.*
- c) *Carrying out stock condition surveys and implementing asset management plans.*
- d) *Fully embedding the new system for managing costs associated with housing repairs.*
- e) *Fully updating the status of previous internal audit recommendations made.*

Additional areas noted this year where further action will enhance the adequacy and effectiveness of governance, risk management and control include:

- a) *Development of reports and dashboards on the new finance system to provide management information and allow improved internal audit scrutiny of the data.*
- b) *Strengthening awareness of what good looks like in spending decisions and providing increased assurance testing of supplier spending*

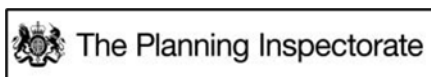
External Audit and Other External Assurances

The Council's independent external auditors for the year for core audit work were Ernst and Young. They have worked throughout the year in accordance with their code of practice.

The findings from the work they carry out was last summarised in their Annual Audit Report which was presented to the Audit and Governance Committee in July 2022. This report was very positive and unqualified opinions were given by the auditors. There are no outstanding recommendations to be implemented.

Other external inspections and audits undertaken during the year which have been used as a source of assurance included:

- Draft Annual External Audit Report by Ernst and Young for the year ending March 2022
- Housing Delivery Grant Funding Compliance Audit Report (November 2022) by Homes England
- Report of the Local Government and Social Ombudsman 2021/22
- Information Commissioners Decision Notices 2022/23
- Vehicle Operators Compliance Risk Score, Vehicle Test History and Vehicle Encounter Report (May 2023) by the Driver and Vehicle Standards Agency
- Investigatory Powers Commissioner's Office Report (February 2022)
- Civil Aviation Authority Reports (November 2022 and March 2023)
- Compliance work undertaken to meet the requirements of the Public Service Network
- Report on the Examination of the local Plan by the Planning Inspectorate (March 2023)
- Biometrics and Surveillance Camera Commissioner Survey (September 2022)
- Partnership coverage by other internal audit teams
- External quality audit of Building Control Partnership by British Standards Institute (April 2023)
- Crimson major defects Reports 2022-23



Review of Effectiveness Conclusion

Fareham Borough Council has responsibility for conducting a review of the effectiveness of its governance framework, including the system of internal control. This is done at least once a year.

The review of effectiveness is informed by the work of Directors within the authority, who have responsibility for the development and maintenance of the governance environment, and is led by the Chief Executive's Assurance Group. This consists of all directors, which includes the Monitoring Officer and Chief Finance Officer, and is chaired by the Chief Executive Officer. The Head of Finance and Audit also attends.

The group reviewed the following evidence:

- Analysis of the 24 parts of our governance framework against current knowledge, including reports seen by Senior Officers during the year.
- Highlights from the Head of Audit's Annual Report 2022/23.
- Summary of reports and feedback we have received from external auditors, inspectors or other external agencies in the year.
- Actions arising from the annual cyber security assurances.
- Review of progress made on the actions included in the previous Annual Governance Statement.

The conclusion from the review of effectiveness is that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

The Audit and Governance Committee have reviewed the sources of assurances used this year and have scrutinised the content of the Annual Governance Statement.



Actions taken to address the issues raised in the 2021/22 Annual Governance Statement

The annual review of effectiveness has identified the following progress made on the actions identified in the previous year:

	Issue 2021/22	Status	Update 2022/23
1	Openness Update the published equality objectives	Complete	Policy, Research and Engagement Manager Fareham's updated Equality objectives for 2022-26 were approved at the November 2022 Executive meeting .
2	Vision and Actions Develop a process, to feed the finances needed to deliver the priorities set out in the Corporate Strategy, into the Medium-Term Financial Strategy. (B/fwd)	No Progress to date	Head of Finance and Audit The next Corporate Strategy is close to being finalised. The Finance Team will consider how the financial implications can be accounted for and fed into the MTFS.
3	Vision and Actions Carry out a review of the corporate strategy for the end of year 2022/23	In Progress	Director of Leisure and Community The draft Corporate Strategy for 2023-29 was approved for public consultation at the 15 May 2023 meeting of the Executive. The new strategy is scheduled to be adopted by the Council in Autumn 2023.
4	Climate Change Deliver the short-term actions linked to reducing the Council's carbon footprint in the climate change action plan	In Progress	Director of Planning and Regeneration A 12-month trial of low carbon Hydrotreated Vegetable Oil (HVO) fuel was completed with our small vehicle fleet e.g. ride on mowers now running on it alongside our Garden Waste vehicles. Allocated £30,000 of funding to community centres for small low carbon measures. Staff and member energy saving campaign contributed to a reduction in operational electricity consumption.
5	Member Roles and Responsibilities / Constitution Complete the submission of phase 2 of the electoral review covering the boundary review.	Complete	Head of Democratic Services Submission completed with final report issued by Local Government Boundary Commission. New ward boundaries take effect from May 2024.
6	Head of Paid Service Embed the culture shift and realise the benefits arising from the vision for the new ways of working. This will include a revised strategy for the provision of shared workspace.	In Progress	Chief Executive Officer The organisation is now operating under the new ways of working vision with most employees choosing to work a mixture of time at home and in the office, in a manner that suits their needs and the needs of the service. Options are discussed with all new employees as part of the recruitment process. An analysis has been carried out of the hybrid working habits that are arising to inform the next part of the vision on shared workspaces. This will be implemented later in 2023/24.
7	Decision Making Roll out the vision for paperless committees.	Complete	Head of Democratic Services All committee agendas are now published to the bespoke app and accessed by members using laptops. Paper printing is therefore no longer needed.

Actions taken to address the issues raised in the 2021/22 Annual Governance Statement (cont.)

	Issue 2021/22	Status	Update 2022/23
8	Codes of Conduct Review the procedures for investigating Member Code of Conduct complaints, to improve and simplify processes and update documentation accordingly. (B/fwd)	No Progress to date	Director of Support Services Resources were prioritised to focus on members personal and online safety arrangements as part of the "Debate not hate" campaign. This review is now planned for 2023/24.
9	Codes of Conduct Finalise the review of the Disciplinary Code of Conduct and Disciplinary Rules to update it and make it simpler for users. (B/fwd)	Complete	Director of Support Services The code of conduct and disciplinary rules and procedures was finalised in June 2022 and has been published on the Council's intranet. Employees have been made aware of the update and unions consulted on the content.
10	Whistleblowing and Conflicts of Interest Develop a Skillgate package for managers and employees how to raise and handle concerns. (B/fwd)	Complete	HR Business Partner (SS) An online training module has been produced using Skillgate and is now being completed by all new employees.
11	Whistleblowing and Conflicts of Interest Complete the development of a replacement database for the employee register of Interests. (B/fwd)	Complete	HR Business Partner (TH) A replacement database for the employee register of interests has now been produced and launched. An online form is used to populate the register.
12	Member and Officer Development Roll out the managing remote workforces programme across the organisation	No longer needed	Director of Support Services In 2021/22 the managing remote workforces programme was delivered to key managers and team leaders where possible. This programme has now been replaced by a wider programme of individual coaching profile analysis and team performance development.
13	Member and Officer Development Implement the new recruitment system to produce a more efficient administration process and a better experience for candidates.	Complete	HR Business Partner (TH) The new recruitment system has been fully operational since summer 2022.
14	Laws and Policies Complete a review of the contractual arrangements for the legal services partnership.	Complete	Head of Democratic Services 10 year contract renewal agreed by Executive on 6th March 2023

Actions taken to address the issues raised in the 2021/22 Annual Governance Statement (cont.)

	Issue 2021/22	Status	Update 2022/23
15	Financial Management Fully implement the budgeting and forecasting functionality of the new finance system to improve the on-going visibility of the Council's financial position and the basis of the projections used for the Medium-Term Financial Strategy.	In Progress	Head of Finance and Audit The budgeting and forecasting module of the system has been implemented but timing meant that the budgets for 2023/24 were compiled outside of the module. The budget data is now in the Finance System but there are some issues still to be resolved. Use of the budget and forecasting module will be developed further in 2023/24.
16	Audit Committee Implement a framework of regular reports from the Monitoring Officer (MO) and Head of Internal Audit to support the committee in their strategic governance role.	Complete	Head of Democratic Services Regular report from MO added to Audit & Governance Committee agendas since July 2022. Head of Internal Audit quarterly report also now part of the agendas.
17	Business Continuity Review how the BCPs are structured and how they work. Particularly in identifying critical services. (B/fwd)	In Progress	Head of Environmental Health The Corporate Plan and Policy were approved and finalised in 2022/23. The service level BCPs are in the process of being updated following collaborative working with service directors and their managers. This includes working with critical activity owners to ensure that robust plans are in place in the event of disruption for the most essential Council services.

Status
Complete
In Progress
Superseded
No further action proposed
No progress to date

Planned Governance Improvements 2023/24

Whilst there have been a number of improvements made through the year, the Council strives for continuous improvement. Therefore, following the review of effectiveness, we have selected the following improvement opportunities, for priority action in the next year. Some of these relate to actions not yet fully complete from previous years:

Ref	Part of Framework	Planned Improvement	Lead officer
1	All	Arrange for the draft unsigned Annual Governance Statement for 2023/24 to be published with the draft Statement of Accounts at the end of May 2024.	Head of Finance and Audit
2	Council's Vision and Actions	Develop a process, to feed the finances needed to deliver the priorities set out in the Corporate Strategy, into the Medium-Term Financial Strategy. (Brought Forward—B/Fwd)	Head of Finance and Audit
3	Council's Vision and Actions	Complete the public consultation on the next Corporate Strategy (2023-2029) and conclude the review.	Director of Leisure and Community
4	Council's Vision and Actions	Refresh the Vision and develop a Framework for Fareham Town Centre Regeneration to reflect the outcomes set in the new Corporate Strategy.	Director of Planning and Regeneration
5	Service Quality and VFM	Review the Council's spending with suppliers to identify opportunities to reduce costs by increased market testing or respecifying.	Financial Services Procurement Manager
6	Service Quality and VFM	Reinvigorate systems thinking service interventions across the organisation in line with a revised vision of the focus and resourcing of this work.	Director of Leisure and Community
7	Head of Paid Service	Create a "People Strategy" which outlines the Council's approach to its workforce including how talent is nurtured, how skills are transferred and how high performing teams will be built.	Director of Support Services
8	Codes of Conduct	Review the procedures for investigating Member Code of Conduct complaints, to improve and simplify processes and update documentation accordingly. (B/ fwd)	Director of Support Services
9	Law and Policies	Run a series of workshops to review and strengthen our contract management arrangements and policies.	Financial Services Procurement Manager
10	Law and Policies	Formulise a data protection and GDPR training regime that reflects the different roles of the employees in the organisation.	Head of Democratic Services
11	Law and Policies	Monitor progress and implications of the Procurement Bill.	Financial Services Procurement Manager

Planned Governance Improvements 2022/23 (cont.)

Ref	Part of Framework	Planned Improvement	Lead officer
12	Financial Management	Fully implement the budgeting and forecasting functionality of the new finance system to improve the on-going visibility of the Council's financial position and the basis of the projections used for the Medium-Term Financial Strategy.	Finance Manager (NW)
13	Financial Management	Develop the Opportunities Plan for 2023-27 including member involvement and sign off.	Head of Finance and Audit
14	Counter Fraud	Update the suite of fraud policies.	Head of Finance and Audit
15	Internal Audit	Commence work on actions needed to demonstrate compliance with the audit standards being introduced from May 2024	Senior Audit and Fraud Analyst (CR)
16	Business Continuity	Review how the Business Continuity Plans are structured and how they work; particularly in identifying critical services. (B/fwd)	Head of Environmental Health
17	Climate Change	Map out the Council's journey to carbon neutrality	Policy, Research and Engagement Manager

Certification

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Governance Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions are outlined above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Fareham Borough Council by:

Councillor S.D.T. Woodward
Executive Leader



A.P.B. Wannell
Chief Executive Officer



FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Head of Finance and Audit

Subject: HEAD OF INTERNAL AUDITS ANNUAL OPINION

SUMMARY

This report sets out the Internal Audit coverage, findings and performance for 2022/23 and gives an overall assurance opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.

It also covers the results of the Quality Assurance and Improvement Plan for the internal audit service for the year.

RECOMMENDATION

It is RECOMMENDED that the contents of the report are noted as a source of evidence for the 2022/23 Annual Governance Statement.

INTRODUCTION

1. This report covers the assurances that are available through the work of the Internal Audit service on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
2. It is one of the key documents to inform this year's Annual Governance Statement.

ASSURANCES AVAILABLE TO SUPPORT THE OPINION

Completion of Planned Assignments

3. The original audit plan for 2022/23 included 26 audit assignments of different types. Two of the audits in the plan were postponed due to service availability, system slippage or audit resource availability. There has instead been coverage of one of the audits on the reserve list.
4. The revised plan of 25 audits (20 last year) therefore still gave a good representation of the audit universe (which contains 171 audit titles). 15 of these assignments were to produce an audit opinion and 152 days, plus 10 days in-house support, were assigned to this type of work. In addition, 8 days were used to complete the audit opinion of an audit from a previous years' plan (Housing voids follow up 2021-22). This is slightly below the target amount of 180 days set out in the Audit Strategy but is compensated by the Building Control partnership audit completed as part of the Portsmouth City Council audit plan in the year.
5. At the time of giving this annual opinion, all 25 planned assignments for 2022/23 have been undertaken and there has been sufficient coverage on 23 of these for conclusions to have been drawn and to be useable as a source of assurance. 22 (17 last year as at September) have been fully completed and actions agreed with the Audit Sponsor. Three pieces of work from previous plans have also now been completed so can also be used in this report.
6. This is considered adequate coverage to allow the annual opinion to be produced. [Appendices A and B](#) give the latest status of the assignments and the key assurance measures arising from the work.

Spread of Individual Assignment Opinions

7. The majority of assignments result in an individual assurance opinion which reflects the level of internal control found within the system for those areas tested.
8. The table below provides a summary of this information compared to previous years:

Table 1 - Spread of Assignment Assurance Opinions Given					
Year	Strong	Reasonable	Limited	Minimal	Total
2022/23	6 (38%)	10	0	0	16
2021/22	8 (66%)	4	0	0	12
2020/21	10 (63%)	5	1	0	16
2019/20	7 (44%)	5	4	0	16
2018/19	6 (30%)	11	3	0	20

9. No opinions of 'Minimal' or 'Limited Assurance' were issued in the year, and the follow up of previous audits which received limited assurance (Markets and Housing Voids) were given a higher assurance opinion this time.

Income or Expenditure Errors found

10. Errors are defined as spending incurred which shouldn't have been, or income due which was not requested. Three errors were identified during the transaction testing carried out for the Markets Audit.
- Miscoding of VAT amounting to an understatement of £108
 - An overpayment of £80 due to a calculation error on a supplier invoice
 - Potential loss of £35 income due to incorrect charges made

Implementation of Recommendations

11. During 2022/23, 5 of the audits included a review of the progress made with implementing previous recommendations. These covered 40 essential or important actions. Testing confirmed that 56% of the recommendations have been implemented and a further 33% were in progress.
12. Of the recommendations followed up 14 were essential recommendations. Of these, 10 (71%) were closed as complete or no longer needed, and all the rest were in progress. Those outstanding related to Housing Voids and Inspections (1) and Housing Rents (3).
13. The table below compares this to previous years.

Table 2 – Trend in Implementation of Recommendations			
	No of audits with recommendation reviews	No. of recs tested	% of recommendations tested signed off by audit as implemented or closed
2022/23	5	40	56% + 33% in progress
2021/22	7	122	59% + 36% in progress
2020/21	11	67	48% + 41% in progress
2019/20	12	79	66% + 16% in progress
2018/19	15	190	69% + 18% in progress
2017/18	6	20	35% + 24% in progress

Other Sources of Assurance in the Year

14. [Appendix C](#) lists other sources of assurance that have been available this year to support the Annual Audit Opinion. Particular areas of in-depth work which provide assurance on the Councils systems of control and management of risk relate to:
- (a) Participation in phase 2 of the implementation of the finance system
 - (b) Development and implementation of the debt collection vision for the Council
 - (c) Assurance processes for energy rebate payment schemes
15. One finding of note from this work, as detailed in the annual counter fraud report, was the 5 duplicate invoices paid in the year (totalling £19,189). An unplanned audit review was carried out as a consequence and the systems of control have been strengthened as a consequence.
16. In addition, the Policy, Research and Engagement team have completed their annual review of partnerships as a further source of assurance. The highlights from the annual report are provided in Appendix E.

Specific Assurance Responsibilities

17. The following table summarises the key sources of assurance in the year into specific risks and systems of control identified in the Internal Audit Standards for internal audit coverage.

Governance	Planned Audit of the Use of Data Sharing agreements in the Council Planned Audit of Compliance with the Government Counter Fraud Professional Standard
Ethics	Advice given on new online training module for the Whistleblowing policy
IT	Planned Audit of Corporate Software Suite Planned Audit of Housing System – Post Implementation Review
Risk Management	Design of controls used in the Energy Rebates processes Leading on compilation of the 6 monthly risk management reports including actions escalated to senior managers

No significant issues were found in the systems of control being utilised that require highlighting.

HEAD OF AUDIT OPINION

18. I am satisfied that sufficient internal work has been undertaken to allow an opinion to be given on the adequacy and effectiveness of governance, risk management and control. However, it should be noted that, as audit cannot review every decision and transaction of the council, the opinion cannot provide absolute assurance.

19. Using the information outlined in this report, in the opinion of the Head of Finance and Audit, the Council had a framework of governance, risk management and control for the year 2022/23 which was generally working effectively. There is awareness amongst managers about their top risks and the importance of control mechanisms within the Systems Thinking culture, and the need to address any major weaknesses found.
20. The opinion is based on the following evidence:
- no “minimal” or limited audit assurance opinions were given this year;
 - income or expenditure errors were only recorded in one audit and were very low in value;
 - the expenditure errors found in the NFI data matching have been addressed and new controls put in place to strengthen arrangements.
 - 56% of recommendations followed up were signed off by the audit team and a further 33% were being progressed;
 - collaborative working with services on 1 wider work area in the year (Section 106 developer contributions) is leading to an improved workflow process;
 - completion of work to address 1 issue highlighted last year:
 - ✓ replacing the system to host the employee gifts and hospitality register, supported by the launch of the revised policy
21. Good progress has been made on all the following other issues highlighted last year but some work is still needed:
- (a) Rolling out training and support for contract management. *
 - (b) Strengthening debt collection and write off processes in a number of services.
 - (c) Carrying out stock condition surveys and implementing asset management plans.
 - (d) Fully embedding the new system for managing costs associated with housing repairs.
 - (e) Fully updating the status of previous internal audit recommendations made.
22. Additional areas noted this year where further action will enhance the adequacy and effectiveness of governance, risk management and control include:
- (a) Development of reports and dashboards on the new finance system to provide management information and allow improved internal audit scrutiny of the data.
 - (b) Strengthening awareness of what good looks like in spending decisions and providing increased assurance testing of supplier spending
23. The issue above marked with an asterisk has been included in this year’s Annual Governance Statement.

AUDIT SERVICE QUALITY ASSURANCE

24. As required by the Public Sector Internal Audit Standards (PSIAs), the service has developed a documented Quality Assurance and Improvement Plan (QAIP) which consists of a self-assessment against the standards, on-going monitoring arrangements and local performance measures.
25. The QAIP is designed to provide reasonable assurance to its key stakeholders that the service: performs its work in accordance with its Charter; operates in an effective and efficient manner; is perceived by its key stakeholders as adding value and improving the service that it provides.
26. The PSIAs require the Head of Internal Audit to report on the outcomes of the QAIP each year which is covered by the following sections.

Audit Independence

27. In conformance with PSIAs 1110, it is confirmed that that the internal audit activity was organisationally independent. This is assessed on the basis that the Head of Finance and Audit reported functionally to the Audit and Governance Committee during the year and had free and unfettered access to the Chief Executive Officer and Chair of the Committee.
28. Whilst there is a potential conflict from the dual role of Head of Finance and Head of Audit there are compensating controls which are set out in the Audit Charter as follows:

The Head of Finance and Audit and the External Partner Authorised Officer (at Portsmouth City Council) will be a member of a professional accountancy or auditing body.
The Head of Finance and Audit will assume the auditee role in audits of specific finance and local taxation systems.
The majority of planned "opinion" work will be carried out by the auditors of the external partner who are not employees of the council and who report to their own head of audit.
The original copy of all audit reports submitted by the external partners will be filed as part of the audit trail for that audit.
Although the teams will liaise on the scope of the audit and the content of the final audit report, the External Partner Authorised Officer will be sent a copy of the final report allowing them to raise any concerns they have with the content with the Section 151 Officer.
The Section 151 Officer will meet annually with the External Partner Authorised Officer without the Head of Finance and Audit being present.

29. The arrangements laid out in the Audit Charter were adhered to in the year.

Self-Assessment against the Standards

30. Our self-assessment against the Public Sector Internal Audit Standards this year continued with our rolling review of conformance with 10 standards (17 parts) selected by the reviewing officer. It should be noted that there are 106 parts making up the 52 standards.
31. The review this year covered the following standards:

1100	Independence and Objectivity
1210 A1, A2, A3, C1	Proficiency
2050	Coordination and Reliance
2060	Reporting to Senior Management and the Board
2070	External Service Provider and Organisational Responsibility for Internal Auditing
2100	Nature of Work
2110	Governance
2110 A1, A2	Governance
2200	Engagement Planning
2210 A3	Engagement Objectives

32. No areas of non-conformance were found.
33. Our self-assessment for 2022/23 therefore concluded that we have fully conformed to 49 [49 last year] of the 52 applicable standards with partial conformance with the other 3.
34. Instances of non, or part conformance are given in [Appendix D](#); we are now down to those where no further action is planned to improve conformance. Due to the compensating controls documented, none of the areas are considered significant enough for reporting in the Annual Governance Statement.
35. There are new audit standards proposed for the profession and one area of work that will be required in 2023/24 will be to start assessing the service against these standards.

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

36. During 2019/20 FBC performed a self-assessment of its compliance with the requirements listed within the latest CIPFA Statement on the Role of the Head of Internal Audit, as part of the annual Quality Assurance Improvement Programme (QAIP).
37. Overall, it was found that FBC complied fully with 47 out of 51 requirements (92%) and partially complied with 3 requirements (6%); the area of non-compliance related to the 5-yearly external review of audit quality, as already highlighted in [Appendix D](#). A few areas of action were identified and added to the QAIP action plan.
38. This was followed up in 2022/23 and progress with the action plan is continuing to be made. Audits are being included in the plan which are providing advice and consultancy to the Organisation, and changes have been made to the Internal Audit Charter to include additional responsibilities required by the CIPFA statement.

Local Performance Measures

39. Three local performance measures were used for the service in 2022/23, as discussed below.

Completion of Plan

40. The first measure covers the amount of planned work that is finalised by the time of the Annual Report. The level of completed work is high, which given the effect of the impacts on audit resources in the year is a significant achievement.

Completion of Plan	2022/23	2021/22	2020/21	2019/20
% of reports finalised by time of Head of Audits Report	80% 20/25	85% 17/20	89% (17/19)	95% (21/22)

Time Taken to Deliver Assignments

41. The second measure covers the length of time between the initial scoping meeting with the customer and the provision of a final report. This is a known area of weakness, and the performance has remained steady in comparison to the prior year, albeit the data has not been compiled across the whole plan.

Time Taken	2022/23	2021/22	2020/21	2019/20
Average number of calendar months between start and finish of audits finalised since the last annual report. (Number of audits)	4 (14)	4 (9)	6 (19)	5.1 (23)

Customer Feedback

42. The third measure covers customer feedback. We use a face-to-face interview with an auditor not involved in the assignment in order to obtain feedback. 10 interviews have been completed since the last report and a score applied as shown in the table below.

Level of Customer Satisfaction	2022/23	2021/22	2020/21	2019/20
Audit was above expectations	30% (3)	33% (3)	17% (2)	15% (2)
Happy with the audit	60% (6)	67% (6)	75% (9)	77% (10)
Minor problems with the audit	10% (1)	-	8% (1)	8% (1)
Significant problems with the audit	-	-	-	-

No trends in areas for improvement were identified this year.

RISK ASSESSMENT

43. The Head of Audit's Opinion above highlights those significant control issues where it is recommended that action is taken.

CONCLUSION

44. This annual audit report contains the information required by the Public Sector Internal Audit Standards. The opinion offered within it, is that the Council

continues to have a good framework of governance, risk management and control which has been maintained appropriately during the recent pressures faced by the Council.

Appendices:

- A. Results of Planned Assignments 2022/23
- B. Results of Planned Assignments from previous years not available last year
- C. Additional Sources of Assurance this year
- D. Areas of Non-Conformance with the Public Sector Internal Audit Standards
- E. Partnership Governance Assurance 2022/23

Background Papers: None

Reference Papers:

Report to Audit and Governance Committee on 11/03/19 on the Internal Audit Strategy

Report to Audit and Governance Committee on 26/09/22 on Head of Audit's Annual Opinion 2020/21

Quarterly Head of Audit reports to the Audit and Governance Committee during 2022/23

Chartered Institute of Public Finance and Accountancy (CIPFA) 2017 – Public Sector Internal Audit Standards (PSIAS)

Chartered Institute of Public Finance and Accountancy (CIPFA) 2019 – Statement on the role of the Head of Internal Audit (HIA) in public service organisations.

Enquiries:

For further information on this report please contact Elaine Hammell (Ext 4344)

APPENDIX A

RESULTS OF PLANNED ASSIGNMENTS 2022/23

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
FUNDAMENTAL SYSTEM AUDITS												
Payroll key controls (1250)	10	5	Strong	↔19/20	July 2023	N	-	-	-	-	-	-
Finance System Data Analytics (1251)	10	15	N/A	No previous audit	March 2023	N	-	1	-	-	-	-
Bank Mandate Fraud (1252)	10	2	Reasonable	No previous audit	November 2022	N	-	1	-	-	-	-
Housing Rents (1259)	10	15	Reasonable	↔ 19/20	July 2023	N	-	3	-	-	5	-
Capital Expenditure and Accounting (1260)	10	10	Strong	↑ 18/19	March 2023	N	-	2	-	-	-	-
SERVICE AND SYSTEMS – HIGH RISK												
Building Control (1253)	10	N/A	PCC Opinion of Assurance	↑ 16/17	July 2023	N	-	-	-	-	-	-
Chargeable Garden Waste Collection (1254)	10	10	Reasonable	No previous audit	November 2022	N	-	3	-	-	-	-
Homelessness	Postponed											
Service Charges and Recharges – Leaseholders (1262)	4	15										
Community Centres (1263)	10	8	Reasonable	↔	March 2023	N	-	3	-	-	-	
SERVICES AND SYSTEMS - OTHER												
Facilities Management (1264)	10	5	Reasonable	No Previous Audit	March 2023	N	-	1	-	-	-	-
Tree Review Implementation (1265)	5	12										

Audit Title & Report Number	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included	New Recommendations			Previous Recs. (E and I only)			
						Errors Found? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
Markets (1266)	10	8	Reasonable	↑ 21/22	July 2023	Y	-	6	3	3	1	1
COMPUTER – FUNDAMENTAL SYSTEMS												
Corporate Software Suite (1267)	10	10	Strong	No previous audit	November 2022	N	-	1	-	-	-	-
Housing System - Post Implementation Review (1268)	10	15	Strong	No previous audit	July 2023	N	-	1	-	-	-	-
CORPORATE, SPECIALIST, GOVERNANCE AND RISK												
Data Sharing Agreements (1269)	10	15	Reasonable	No previous audit	July 2023	N	-	4	2	-	-	-
WIDER WORK												
Compliance with the Government Counter Fraud Professional Standard (1256)	10	-	N/A	N/A	November 2022	N/A	-	3	-	-	-	-
Process Flow for S106 Contributions (1270)	4	-										
Business Rates Refunds - Review of 2021/22 Extracts (1271)	10	-	N/A	N/A	July 2023	N	-	-	1	-	-	-
Anti-Bribery Arrangements (1272)	Postponed	-										
Contract Management (1273)	10	-	N/A	N/A	March 2023	N/A	-	6	-	-	-	-
NFI - Data Privacy Notices (1274)	10	-	N/A	N/A	November 2022	N/A	-	-	-	-	-	-
Annual Procurement Transaction Testing (1275)	10	12	Strong	N/A	July 2023	N	-	1	-	-	-	-
Targeted Assistance with Recommendation Implementation (1276)	10	-	N/A	N/A	July 2023	-	-	3	9	8	5	2

APPENDIX B

RESULTS OF PLANNED ASSIGNMENTS FROM PREVIOUS YEARS NOT FULLY AVAILABLE FOR LAST YEAR'S OPINION OR UPDATED

Audit Title & Report Number	Days in Plan	Assurance Opinion	Direction of Travel & Date of last audit	Progress report where included		New Recommendations		Previous Recs. (E and I only)			
					Errors Found ? Y/N	Essential	Important	Implemented	Cancelled	In Progress	Not Implemented
SERVICES AND SYSTEMS – HIGH RISK											
Sheltered Housing – Safe Spot Checks 2021/22	10	N/A	↔	November 2022	N	-	8	-	-	-	-
LIMITED OPINION FOLLOW UP											
Housing Voids Follow Up 2021/22	5	Reasonable	↑ 2019/20	November 2022	Y	-	1	10	1	6	1
FOLLOW UP / JOINT WORKING PROJECT											
Building Health and Safety Risks 2016/17	N/A	N/A	N/A	March 2023	N	-	-	-	-	-	-

ADDITIONAL SOURCES OF ASSURANCE THIS YEAR

<p>Audit Team overview of systems of control</p>	<p>Project to resolve missing and duplicate invoices received from a housing company.</p> <p>Part of the Core team reviewing, designing and implementing the systems of controls associated with the new Finance system.</p> <p>Lead officer for the development and implementation of the Debt Collection Vision and chair of debt recovery group</p> <p>Implementation of the controls in the Energy rebates process for 2022/23</p> <p>Advising on the controls to be used in the Energy Bills Support Scheme Alternative Funding (EBSS AF) and the Alternative Fuel Payment Alternative Fund (AFP AF).</p> <p>Completion of assurance returns and reconciliations for business grants</p>
<p>Reactive work undertaken by the Team</p>	<p>Audit review of the reasons behind the duplicate creditor payments found in the National Fraud Initiative data matches.</p> <p>Assistance with transfer of goods from a deceased tenant</p> <p>Contribution to internal investigations</p>
<p>Other work undertaken by the team</p>	<p>Developer's contributions (S106) working group chair and attendees</p> <p>Review and response to fraud alerts issued by the National Anti-Fraud Network</p> <p>Compilation of evidence for the Annual Governance Statement</p> <p>Facilitation of project to strengthen documentation of contracts in place at a service level.</p> <p>Attendance at meetings to implement a new telephone payment system</p> <p>Advice given on new online training module for the Whistleblowing policy</p>
<p>Other sources</p>	<p>6 monthly risk management reports (September 2022 and March 2023)</p> <p>Attendance at Corporate Financial Forecasting and Finance Strategy meetings</p> <p>Attendance at Procurement Monitoring meetings</p> <p>Response to complaints made to Local Taxation team</p> <p>Partnership Coverage by other Audit Teams (Project Integra, Coastal Partnership, Portchester Crematorium, PfSH)</p> <p>System and Organisational Report for the finance system (Ernst and Young)</p>

APPENDIX D

Areas of Non-Conformance with the Public Sector Internal Audit Standards

<i>Standard</i>	<i>Area of Non-Conformance</i>	<i>Comments</i>
1100 Independence and Objectivity (part)	The Chief Executive Officer and Chair of the Audit and Governance Committee do not formally feed into the performance appraisal of the Chief Audit Executive.	<p>No further action proposed</p> <p>Informal mechanisms are in place for concerns about independence and performance to be raised. Regular meetings occur between the Section 151 Officer and the Head of Finance and Audit [HFA]. There are also regular one to ones between the Chief Executive Officer and Section 151 Officer and an annual one to one between the Chief Executive Officer and the HFA.</p> <p>The HFA has access to the Chair and Vice chairs of the Audit and Governance Committee during the quarterly chairman briefings and can approach them directly should she have any concerns. They can also raise any concerns they have with the performance of the internal audit service.</p>
1312 External Assessments	No external assessments are currently included in the Quality Assurance and Improvement Plan.	<p>No further action proposed</p> <p>Given the current financial climate it is unlikely that we would want to incur additional costs to pay for an independent external verification of our self-assessment. However, our audit partners completed an external assessment in 2022/23 which provides us with assurance on their processes.</p> <p>The in-house team do monitor any feedback on conformance to the standards received from the external auditors, and the internal audit partners.</p>
2020 Communication and Approval (part)	The entire internal audit activity's plan and resource requirements were not presented to senior managers in addition to the board for review.	<p>No further action proposed</p> <p>The Audit and Governance Committee is responsible for endorsing the Annual Plan of work which the Section 151 Officer has previously reviewed. Other Directors are consulted on coverage in the plan for their department and receive information on the proposed Annual Plans and any changes to these before approval and are invited to provide feedback.</p>

APPENDIX E**Partnership Governance Assurance 2022/23**

The Policy, Research and Engagement team have completed their annual review of partnerships and will report the findings to the Chief Executive's Management Team in July 2023. A fuller Partnership Governance report last went to the Audit and Governance Committee in September 2022. The committee concluded that there were no requests for further information or clarification on Significant Partnerships, as Members did not have any concerns over the arrangements in place.

The table below lists the significant and less significant partnerships identified in the review:

Significant Partnerships	Less Significant Partnerships
Southampton and Fareham Legal Services Partnership	Aspect
Project Integra	Hampshire and Isle of Wight
Portchester Crematorium Joint Committee	Local Government
Partnership for South Hampshire (PFSH)	Association
Internal Audit Services Partnership	Hampshire Children's Trust
Fareham and Gosport Environmental Health Partnership	Fareham Local Children's
Fareham, Gosport and Portsmouth Building Control Partnership (BCP)	Partnership
Fareham Community Safety Partnership (CSP)	Wayfarer Partnership
Coastal Partners	

The Council's definition of a significant partnership is a partnership that:

- is a legal requirement or based on statutory guidance; or
- it commissions or delivers activities at a borough wide or local level that contribute substantially towards the Corporate Strategy 2017-2023 outcomes; and
- there is a significant risk to the Council if there is under-performance in this area.

The annual review provided the following assurance:

- All 13 of the partnerships have agreements in place.
- Of the 13 partnerships listed, 12 are progressing well, and 1; Project Integra; needs to improve its performance. The Lead Officer for that partnership provided the following update:

Hampshire County Council (HCC) recently set out revised financial proposals and a timeline for implementation as part of a new Inter Authority Agreement to replace the current Project Integra Memorandum of Understanding. These proposals represent a significant cost to FBC and other district councils. HCC are seeking approval from Waste Collection Authorities in Autumn 2023 with implementation in April 2024

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Monitoring Officer

Subject: MONITORING OFFICER REPORT

SUMMARY

This report seeks to update Members on a variety of assurances which are within the functions of the Audit and Governance Committee that do not require a full report in their own right. This report includes several changes to the Constitution and the Work Programme for 2023/24 to allow Members to consider those items being brought to the Committee for the remainder of this municipal year. The report is set out into two parts. Part One is for noting and Part Two sets out those items for approval or endorsement.

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee: -

- a) notes the contents of Part One of the report;
- b) considers the matters for endorsement in Part Two of the report; and
- c) recommends that Council endorses the: -
 - i) changes to the Petition Scheme as set out in Appendix B;
 - ii) changes to Part 3, Chapter 5 - Decision Making by Individual Members of the Executive and Key Decisions by Officers set out in Appendix C; and
 - iii) revisions to Part 6 – Scheme of Delegation to Individual Members of the Executive.

INTRODUCTION

1. This report is a standard agenda item for the Audit and Governance Committee which was developed in 2022 with the intension of reducing the Committees agendas by bringing a way of reporting to the Audit and Governance Committee through the Monitoring Officer, on items which are significant but do not justify a full report in their own right.
2. Officers' expectation is that this report still provides Members with the assurance required to carry out their functions, as set out in Part Two, Chapter 8 of the Constitution, whilst reducing the amount of detail that may have been provided in the past. The report proved to be a success last year so will continue in 2023/24.

Part One: matters for noting

ACCOUNTABILITY

3. At its meeting on the 13 March 2023, the Committee agreed its Work Programme for 2023/24, this was then endorsed by Council in April. This report also sets out at Appendix A, a simplified version of that work programme, listing items which will be brought to Committee within this municipal year to allow Members to consider and note the agenda items for the remainder of the municipal year.
4. In a change to the Work Programme agreed in March, the external audit reports on the Annual Plan and Fee and Annual Report and Value for Money Commentary, originally scheduled for this meeting have been deferred to September. This is due to the delay in completing the 2021/22 external audit.
5. A variety of complex factors are contributing to the audit delays which are a sector-wide issue, including audit firms experiencing resource problems with a lack of qualified and experienced staff. Only 12% of local government bodies had an audit opinion on the 2021/22 financial statements by the statutory accounts publication deadline of 30 November 2022. It is worth noting that Local authorities are not subject to any penalties for the missed deadline.
6. The external auditors Ernst and Young (EY) are prioritising the 2021/22 audits and have allocated audits into three tranches, starting with those closest to completion. Fareham's audit is in the first tranche, starting week commencing 03 July for two weeks. Once all the 2021/22 audits are closed EY will commence with the 2022/23 audit and an update on timing will be given in due course.
7. The External Audit – Annual Certification Report which was also originally scheduled for this meeting is also to be deferred to September. Although the work on the annual housing benefit subsidy audit is almost complete, a management review is required before it can be finalised and this will not happen in time for the publication deadlines for this Committee.

Part Two: matters for approval or endorsement

8. As a change from previous Monitoring Officer Reports, to assist Members in reviewing the amendments to the Constitution officers will split into separate sections 'Updates' and 'Changes'.
9. Updates will be classified as administrative amendments that the Monitoring Officer is able to make in order to keep the Constitution up to date. For example this will include minor changes in legislation or updates to the Policy Framework. Changes will be classified as content amendments of the Constitution which will require consideration and endorsement by the Committee and recommendation to Council for approval.

UPDATES TO THE CONSTITUTION

10. On this occasion this report seeks to inform Members on updates to the Constitution. A number of which have already been made by the Monitoring Officer and require noting by the Committee.
11. Annually there may be several routine updates to the Constitution, including The Policy Framework and Executive Portfolios which are agreed at Annual Council and the first Executive meeting of the municipal year, for example. This year the Policy Framework was updated at Council on the 11 May 2023.
12. Due to the appointment of a new Chief Executive Officer, there has also been a change to the senior management structure which is held within Part Eight of the Constitution.
13. The Constitution document continues to be reviewed regularly with typographical errors and formatting updates made if and when required.

CHANGES TO THE CONSTITUTION

Petition Scheme

14. A review of the Petition Scheme has been undertaken by Democratic Services officers. Due to the increase in e-petitions being used both through the Council's website and externally, changes are required to ensure that the guidance is robust and fair for both e-petitions and those submitted in paper form. Appendix B provides a copy of the Petition scheme with these changes.
15. Officers have also updated the website to mirror these changes to assist petitioners in accessing all the information required to ensure their petition meets the criteria and can be accepted by the Council.

Executive Member Delegations

16. To maintain expediency and to clarify the situation when an Individual Executive Member cannot carry out an individual decision due to a conflict of interest, it is recommended to amend Part Three – Chapter 5 - Decision making by individual members of the Executive and Key Decisions by Officers.

17. Appendix C highlights the change that is required, which, if approved will allow the Executive Leader to appoint another Executive Member to exercise the delegations of any Executive Member if they are unable to carry out their delegated powers as per Part Four -Scheme of Delegation to Individual Members of the Executive.
18. Following this piece of work, officers have also undertaken a review of the Scheme of Delegation to Individual Members of the Executive which was first created in 2004. Although updated regularly when new delegations are added, or existing delegations are changed, the document has not been reviewed in full since 2004.
19. Officers seek to make changes to the document to reference other parts of the Constitution which are relevant to the Scheme and have added additional information to the table of delegations to allow ease of reference to when individual delegations have been added or amended. This new document is set out at Appendix D.
20. The Executive Leader has delegated powers to update the Scheme of Delegation to Individual Members of the Executive. On this occasion as the changes highlighted in the report are clerical, officers are bringing them to the Committee for endorsement.

RISK ASSESSMENT

21. There are no significant risk considerations in relation to this report

CONCLUSION

22. Members are asked to note the Contents of Part One of this report and consider the Council's endorsement of the changes to the Constitution set out in Part Two.

Appendices: -

- Appendix A: Summaries Work Programme 2023/24
- Appendix B: Petition Scheme – Constitution - Part 4, Standing Orders in Respect to Meetings
- Appendix C: Part 3, Chapter 5 - Decision Making by Individual Members of the Executive and Key Decisions by Officers.
- Appendix D: Constitution – Part 6 – Scheme of Delegation to Individual Members of the Executive

Background Papers:

The Constitution Log

Reference Papers:

The Constitution

Audit and Governance Work Programme – 13 March 2023

Council Minutes – 11 May 2023

Enquiries:

For further information on this report please contact Sarah Robinson. (Tel: 01329 824566)

Audit and Governance Committee Work Programme – 2023/24

Meeting Date	Report Title
25 September 2023	Monitoring Officer Report - To include Annual Ombudsman Reports and Overview of Complaints against members
	External Audit – Audit Results Report
	External Audit – Annual Plan and Fee
	External Audit – Annual Report and VFM Commentary
	External Audit – Certification Report
	Anti-Bribery Policy
	Head of Internal Audit Quarterly Report
	Risk Management Monitoring Report
	Statement of Accounts
27 November 2023	Monitoring Officer Report – to include Partnership Governance
	Counter Fraud Policy and Strategy
	Internal Audit Quarterly Report
	Treasury Management Strategy
11 March 2024	Monitoring Officer Report – to include Review of Members Training and Development & Annual Review of the Constitution
	Internal Audit Quarterly Report – to include Internal Audit Annual Plan
	Risk Management Monitoring Report
	External Audit – Certification Report
	Treasury Management Policy and Indicators
	Arrangements for Appointment of External Auditors

PETITION SCHEME

INTRODUCTION

1. A petition is a communication submitted to the Council signed by people who live, work or study in the Borough on a topic which relates to a function of the Council.
2. All petitions submitted to the council will receive a formal acknowledgement within 10 working days of receipt. This acknowledgement will be sent by Democratic Services.
3. Petitions can be in written paper form or as an online e-petition. Petitions will not be accepted in any other form.
4. The Council's Petition Scheme covers both electronic and paper petitions.
5. Further information relating to the Council's Petition Scheme can be found on the Council's website at www.fareham.gov.uk/have_your_say/petitions

RULES GUIDELINES FOR SUBMITTING A PETITION

- 5.6. For a Petition to be valid, which triggers a formal response by the Council, as described in this scheme, a petition must:
 - i Be addressed to the Council;
 - ii Relate to functions of the Council;
 - iii Include a clear and concise statement covering the subject of the petition. It should state what action the petitioners wish the council to take;
 - iv Include the contact details, including an address, for the petition organiser (lead petitioner). This is the person we will contact to explain how we will respond to the petition; and
 - v Obtain a minimum of 50 signatures of support from people who live, work or study in the borough. Paper copies should include the names and addresses of those signing the petition so that we may check its validity if required. Those "signing" an electronic petition must provide their house number and postcode and state whether they live, work or study in the Borough.
- 6.7. A petition submitted to the Council must follow these rulesguidelines. If a petition is not accepted, an acknowledgment letter will still be sent to the lead petitioner within 10 working days.
- 7.8. Petitions with less than 50 signatures may still be submitted to the Council but may not be dealt in accordance with this scheme. An explanation for the action to be taken will be sent to the lead petitioner within 10 working days of receipt.
9. During a pre-election period, the Council is governed by Guidance which may mean that a petition will be managed differently. In this case the Council will explain the reasons and discuss the revised timescale which will apply to the lead petitioner.

10. Once a petition has been submitted to the Council it must be closed by the Lead Petitioner. No further signatures can be received by the Council once a petition has been submitted.

8.11. RESTRICTIONS

9.12. The Head of Democratic Services may decide not to accept a petition on behalf of the Council if: -

- i the petition is a request for action that is outside the functions or powers of the council or a statement where no action is required;
- ii the petition is a request that is substantially the same as an existing petition or one that has been submitted in the past 12 months;
- iii the content is considered to be malicious, vexatious, abusive or otherwise inappropriate or which is intended to be solely humorous;
- iv language is offensive, intemperate or inappropriately provocative. This not only includes obvious swear words and insults, but any language to which people reading it could reasonably take offence;
- v the petition contains party political content, as we are unable to publish such material;
- vi the petition is potentially libellous, false or defamatory statements or information which may cause loss or personal distress without justified cause;
- vii the petition contains material which is potentially confidential;
- viii the petition contains information which is commercially sensitive or is a commercial endorsement or promotion of any product, service or publication;
- ix the names of individual officials of the council or other public body are displayed. Disputes relating to the actions of individual officers should be presented through the council's complaints procedure. Petitions may however refer to a senior manager responsible for delivery of public services but must relate to their role in delivering that service and not to their character, personality or private life.
- x the petition contains the names of family members of elected representatives or officials.
- *xi the external e-petition submitted from an external website is not able to be validated by the Council.

40.13. Petitions which fall within these restrictions will be formally acknowledged within 10 working days of receipt by way of a letter to the petitioner explaining the reasons for nonacceptance under this scheme. No further action will be taken by the Council where these restrictions apply.

RESPONSES

44.14. The Council will respond to each petition in accordance with this petition scheme.

42.15. If the Council can action the request without any further action being required, the lead petitioner will be notified in writing.

43.16. If the petition contains more than 1500 valid signatures, then this will trigger a debate at Council. The lead petitioner will be notified of the date and time of the relevant

meeting and will be formally invited to attend.

- ~~14.17.~~ If the petition relates directly to a planning or licensing application or other quasi-judicial matter, these matters are statutory functions which cannot be debated at Council. The lead petitioner would be notified of the procedure for handling petitions relating to statutory functions.
- ~~15.18.~~ If a petition is received on a matter where there is already an existing right of appeal, such as council tax banding and non-domestic rates, other procedures apply. Further information on these procedures will be provided to the lead petitioner.
- ~~16.19.~~ A petition with less than 1500 valid signatures may be referred to one of the Council's Committees or Scrutiny Panels for consideration or where appropriate be passed to the relevant service area, for further investigation.
- ~~17.20.~~ If a petition clearly falls under the functions or powers of another local government authority, the Council will, where appropriate, forward the petition to the relevant body.
- ~~18.21.~~ If a petition is about something over which the council has no direct control (for example the local railway or hospital) the Council will forward your Petition to the relevant Authority or Body.
- ~~19.22.~~ If a petition is asking for a senior council officer to give evidence to a committee about something for which the officer is responsible as part of their job. For example, your petition may ask a senior council officer to explain progress on an issue, or to explain the advice given to elected members to enable them to make a particular decision the lead petitioner will be notified of the relevant details for this meeting.

~~APPEALS~~

- ~~20.1.~~ ~~If the lead petitioner does not feel that their petition has been handled adequately, they can complain through the Council's formal complaints procedure.~~

EXTERNAL E-PETITIONS

- 23. E-petitions from external websites can be submitted from any source but must adhere to the Procedure Rules set out within this scheme in order to be accepted by the Council.
- 24. Petitioners will need to ensure that they are aware of any terms and conditions on external websites regarding the use of their data. The Council cannot be held responsible for how personal information may be used by other websites.
- 25. In order that an external e-petition can be accepted by the Council the Lead Petitioner must notify the Council once an e-petition has been set up on an external website to ensure that no restrictions set out above apply.

26. The Lead Petitioner is responsible for ensuring that the e-petition adheres to the rules set out in the scheme and that the restrictions set out above do not apply.

APPEALS

27. If the lead petitioner does not feel that their petition has been handled adequately, they can complain through the Council's formal complaints procedure.

Part Three - Chapter 5 - Decision making by individual members of the Executive and key decisions by Officers

Introduction

- 5.1 The Executive Leader of the Council, members of the Executive and officers are authorised to undertake certain executive actions under the terms of this Constitution. The responsibilities and processes to be followed by Executive Members and the officers in carrying out those tasks for which they are individually responsible and there has been a delegation of powers to an individual Executive member by Council are set out here.
- 5.2 For this purpose, the appropriate Chief Officer or Head of Service is the Proper Officer for providing advice to Executive Members and the Monitoring Officer is the Proper Officer for the maintenance of the Corporate Register of decisions taken.

Action by Executive Members prior to reaching a decision

- 5.3 In all cases, prior to taking any decision on any matter, the Executive member shall be responsible for: -
- a) ensuring that the decision to be made is within his/her delegated powers;
 - b) obtaining, in writing (which may be transmitted electronically), a summary of the issues from the Chief Officer or Head of Service responsible for the matter under consideration;
 - c) obtaining confirmation that any course of action proposed is within the Council's legal powers and complies with the Council's Policy Framework and budgets;
 - d) determining whether the proposed action has any effect on the responsibilities of other Executive Members;
 - e) ensuring that where the matter affects a specific part of the Council's area, the views of the relevant ward members have been sought in writing and taken into account in reaching a decision; and
 - f) determining whether the decision to be taken is a key decision as defined in the Council's Constitution in which case the provisions of paragraph 5.6 below shall apply.
- 5.4 Where any matter considered by an Executive Member:

~~a) is outside his/her delegated powers, or on an occasion they are unable to carry out their delegated powers, the Executive Leader may appoint another member of the Executive to exercise the delegations of that Executive Member.~~

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b) is outside the legal powers of the Council or contrary to the Council's Policy Framework or budgets, the matter shall stand referred to the Executive for consideration. No action that commits the Council shall be taken on that matter until after the issue has been determined by the Executive, except that where a decision, including one which does not comply with the Council's Policy Framework or would not be wholly in accordance with the budget, is required urgently, that matter may be determined in accordance with the provisions of Chapter 7 in this part of the Constitution.

- 5.5 Where a decision would have an effect on the responsibilities of another Executive member or has implications that might affect the corporate strategies of the Council, the Executive member shall consult with any other Executive member and the Executive Leader prior to reaching any decision.
- 5.6 Where an Executive Member receives a report which he/she intends to take into account in making a Key Decision, the following provisions shall also apply:
- a) the decision will not be made until at least five clear days have elapsed since receipt of the report, and
 - b) the person who provided the report to the Executive Member shall give a copy to the chairman of the relevant Scrutiny Panel as soon as reasonably practicable and make a copy publicly available at the same time.

Action by Executive member at point of decision making

- 5.7 In reaching a decision on any matter referred to him/her, the Executive member shall:
- a) take into consideration the views expressed by the Chief Officer or Head of Service responsible for the matter under consideration;
 - b) where appropriate, take account of the views of other Executive Members, the Executive Leader and the ward members;
 - c) endorse the written documentation prepared by the appropriate Chief Officer or Head of Service with his/her decision and, where that decision is contrary to the Officer's recommendation or views submitted by the ward member, the reasons for reaching the different conclusion; and
 - d) endorse all written documentation giving options considered with the reasons why particular options were rejected.

Action by Executive member after decision

- 5.8 On reaching a decision and subject to the provisions for call-in arrangements in Chapter 10 of this part of the Constitution, the Executive members shall:

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- a) give instructions to the appropriate Chief Officer or Head of Service to take the necessary action to implement the decision;
- b) personally, or arrange for the appropriate Chief Officer or Head of Service to, notify the other members of the decision taken;
- c) ensure that the decision is not implemented until such time as the period for, and the conditions of, the provisions for call-in arrangements for decisions taken by the Executive have been complied with; and
- d) supply a copy of all papers (which may be transmitted electronically) considered by him/her with a copy of the decision and reasons to the Monitoring Officer.

5.9 On notification of a decision, the Chief Officer or Head of Service will:

- a) subject to compliance with the provisions in this Constitution for call-in arrangements, ensure implementation of the decision within any specified timescales and, if none are given, within a reasonable period;
- b) ensure that a copy of the decision and appropriate supporting papers are placed on the relevant file;
- c) where instructed by the Executive Member, arrange for a report on the decision taken to be circulated to all members of the Council; and
- d) immediately notify any persons or organisations consulted about the proposals of the decision taken.

5.10 The Monitoring Officer will:

- a) maintain a register or registers, which may be held in electronic form, of decisions taken by Executive members under delegated powers;
- b) maintain copies, which may be held electronically, of all the supporting papers provided to the Executive member;
- c) make the register and supporting papers available for inspection at the Council's main office by any member of the Council during normal office hours; and
- d) make the register and supporting papers, except for those which contain confidential or exempt information as defined by the Local Government Act 1972 (as amended), available for public inspection at the Council's main office during normal office hours, in accordance with the provisions of the Access to Information Procedure Rules set out in this Constitution. No charge shall be made for inspection of such papers. The requirement to make documents available for public inspection will not apply to exempt or confidential information or the advice of a political adviser or political assistant.

Urgent decisions

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5.11 Where, in the opinion of the Chief Officer or Head of Service, a decision within the Policy Framework and budget is required urgently on any matter delegated to an Executive Member, the provisions of: -

- a) paragraphs 5.3(b) and 5.3(c) above, relating to the information and decision being in writing or electronic form; and
- b) paragraphs 5.3(d), 5.6(b) and 5.7(b), relating to consultations with ward members,

shall apply only if there is sufficient time to follow these procedures without prejudicing the decision or the Council; provided that, as soon as practicable after the matter has been determined, a written record of the issues and the action taken shall be made and circulated in accordance with the remaining provisions below.

5.12 Paragraphs 11 to 15 in Chapter 10 of this part of the Constitution, so far as they relate to the date on which the decision may be implemented, shall not apply and the decision may be implemented immediately.

5.13 Where a decision is not within the Policy Framework or budget, the provisions of the Chapter 6 of this part of the Constitution will apply.

Key Decisions made by officers

5.14 The above provisions will apply in all respects only to Key Decisions by officers acting under delegated powers. Where the power delegated is to a Chief Officer, Head of Service or other officer, he/she shall ensure that the written documentation or other matters required by these provisions are prepared or undertaken as though the decision was being taken by an Executive Member.

Variation

5.15 These provisions may be varied by a resolution of Council on a recommendation from the Executive. No such recommendation shall be made until the Executive has consulted the relevant Scrutiny Panel and other relevant Committees of the Council.

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SCHEME OF DELEGATION TO INDIVIDUAL MEMBERS OF THE EXECUTIVE



DELEGATION OF DECISIONS TO EXECUTIVE MEMBERS

1. The purpose of this scheme of delegation is to allow Individual Members of the Executive to make decisions on behalf of the Executive.
2. No delegation set out in this scheme can be undertaken without the actions set out in Part 3 – Chapter 5 - Decision making by Individual Member of the Executive and Key Decisions by Officers being adhered to.
3. As set out in Part 3 – Chapter 5 of this Constitution - Where any matter considered by an Executive Member, on an occasion they are unable to carry out their delegated powers, the Executive Leader may appoint another member of the Executive to exercise the delegations of that Executive Member.

Executive Member Delegated to	No.	Delegation	Decision Date/Last updated	Reason	Limits
All Executive Members	1	Publication of consultation drafts.		Speeds up the process and reduces paperwork for the Executive.	The Executive will still be required to approve the final draft
	2	Tender acceptance*	19/02/19	A faster and more responsive procurement process, as per the Procurement and Contract Procedure Rules.	Between £250,001 up to a maximum limit of £500,000 and relevant to the portfolio of the decision maker.
Executive Leader	3	Attendance of members at conferences or seminars.	21/06/04	Reduction in paperwork for the Executive and allows flexibility to respond to invitations.	Maximum limit of £1,000 per conference.
	4	Spending on Emergency Repairs.	19/02/19	Allows a fast response to emergencies.	Maximum limit of £15,000, in agreement with the Section 151 Officer.
Executive Member for	5	Award of Historic Building Grants.	19/02/19	Grant applicants have to follow strict criteria and applicants are	Maximum limit of £15,000 per grant

Planning and Development				assessed by officers prior to decision.	
Executive Member for Housing	6	Minor amendments to the housing allocations scheme.	21/06/04 - 28/01/14	Enables a fast response to housing clients in need.	none
	7	Approval of proposals under the Homelessness Action Fund	28/01/14	So that the Executive retains decision making in respect of the allocation of funding from the budget specifically set up for initiatives relating to crime and disorder.	Up to £15,000 on individual initiatives for the prevention and detection of crime and tackling criminal damage and disorder
Executive Member for Health and Public Protection (or in the case of TROs, subsequent appropriate Member)	8	Determine Traffic Regulation Orders (TROs)	07/06/21	In order to ensure the efficiency and timeliness of implementing any changes to TROs	None
	9	Criminal Damage & Vandalism (Community Safety Initiative)	19/02/19	So that the Executive retains decision making in respect of the allocation of funding from the budget specifically set up for initiatives relating to crime and disorder.	Up to £15,000 on individual initiatives for the prevention and detection of crime and tackling criminal damage and disorder
Executive Member for Leisure and Community	10	Community Fund Application	11/06/07 – 28/01/14 – 19/02/19	To enable a fast response to applications for funding for small-value cleansing initiatives, small value neighbourhood initiatives, funding applications of small value and applications for funding of biodiversity projects	Up to £15,000 per individual application

