



Sevenoaks
DISTRICT COUNCIL
Despatched: 05.01.15

AUDIT COMMITTEE
13 January 2015 at 7.00 pm
Conference Room, Argyle Road, Sevenoaks

AGENDA

Membership:

Chairman: Cllr. Grint Vice-Chairman: Cllr. Brookbank

Cllrs. Mrs. Bayley, Brown, Fittock, Neal, Orridge, Mrs. Purves and Towell

	<u>Pages</u>	<u>Contact</u>
Apologies for Absence		
1. Minutes To agree the Minutes of the meeting of the Committee held on 9 September 2014, as a correct record	(Pages 1 - 6)	
2. Declarations of Interest Any declarations of interest not already registered.		
3. Actions from Previous Meeting (if any)		
4. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations (if any)		
5. External Audit - Housing Benefit Subsidy 2013/14	(Pages 7 - 8)	Adrian Rowbotham Tel: 01732 227153
6. External Audit - Annual Audit Letter 2013/14	(Pages 9 - 18)	Adrian Rowbotham Tel: 01732 227153
7. Internal Audit 2014/15 - 2nd Progress report	(Pages 19 - 32)	Bami Cole Tel: 01732 227236
8. Report on Internal Audit Recommendations Outstanding	(Pages 33 - 44)	Bami Cole Tel: 01732 227236
9. Whistle Blowing Report	(Pages 45 - 60)	Bami Cole Tel: 01732 227236

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|--|-----------------|---------------------------------------|
| 10. Members' Allowances Scheme - Monitoring | (Pages 61 - 74) | Adrian Rowbotham
Tel: 01732 227153 |
| 11. External Review of Internal Audit | (Pages 75 - 78) | Adrian Rowbotham
Tel: 01732 227153 |
| 12. Work Plan | (Pages 79 - 80) | |

EXEMPT INFORMATION

(At the time of preparing this agenda, there were no exempt items. During any such items which may arise, the meeting is likely NOT to be open to the public.)

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Contact Officer named on a report prior to the day of the meeting.

Should you require a copy of this agenda or any of the reports listed on it in another format please do not hesitate to contact the Democratic Services Team as set out below.

For any other queries concerning this agenda or the meeting please contact:

The Democratic Services Team (01732 227241)

AUDIT COMMITTEE

Minutes of the meeting held on 9 September 2014 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Brookbank (Vice Chairman)

Cllrs. Mrs. Bayley, Brown, Mrs. Purves and Towell

Apologies for absence were received from Cllrs. Neal and Orridge

Cllr. Ramsay was also present.

18. Minutes

Resolved: That the minutes of the Audit Committee held on 10 June 2014 be agreed and signed as a correct record.

19. Declarations of Interest

There were no additional declarations of interest.

20. Actions from Previous Meeting

The actions from the previous meeting were noted. The Committee thanked Officers for their hard work for the cost benefit analysis for fraud detection.

21. Responses of the Council, Cabinet or Council Committees to the Committee's reports or recommendations

There were none.

22. Statement of Accounts Outcome of External Audit

The Chairman welcomed Mr. Andy Mack and Mr. Geoffrey Banister from Grant Thornton the Council's External Auditors to the meeting.

The Head of Finance presented a report on the Statement of Accounts for 2013/14 and the findings of the External Auditors. She advised that Grant Thornton anticipated giving an unqualified opinion on the financial statements and also on the Council's arrangements for Value for Money. They had examined the arrangements for securing economy, efficiency and effectiveness in use of resources. Members were advised that the deadline for signing off the accounts was being brought forward in 2018 to 31 July.

The Chairman thanked the members of the Working Group who had reviewed the Statement of Accounts in detail at a meeting on 21 July and suggested a number of presentational changes, which had now been incorporated into the Accounts.

Agenda Item 1

Audit Committee - 9 September 2014

Mr. Mack thanked Officers for their help during the course of the audit. He advised Members that Officers had a strong understanding of the Council's financial position. He praised the Council's 10 year financial plan as being the bedrock which provided the foundation for the Council's successful management of its financial resources at a time when funding from Central Government was rapidly declining. He suggested other Councils might benefit from adopting a similar approach to long-term financial planning.

The Committee were advised that the change in date for the signing off of accounts was decided by Central Government. By 2018, the Draft Statement of Accounts would be brought to the Committee around May; that would then give the Auditors 2 months to review. Mr. Mack advised that they were working with the Finance Team for a way forward over the intervening years and Members would be updated on progress.

In response to questions Members were advised that the gross income figure within the Comprehensive Income and Expenditure statement had been amended because an additional month's income had inadvertently been included in the initial draft; the net income figure however remained correct. Treatment of non domestic rates was a complex item, and was a new reporting requirement for this year. There had been a delay on guidance being received. Members were also advised that the fees of Grant Thornton were set by the Audit Commission and there had been a 40% reduction in fees from 2011/12. Members were advised that Internal Audit worked closely with Grant Thornton and provide good assurance.

The Committee were also asked to agree that the Chairman of the Audit Committee sign the representation letter to Grant Thornton for the Financial Statements for the year ended 31 March 2014.

The Committee thanked Officers for their hard work in producing the Statement of Accounts, and thanked Grant Thornton for their work in auditing them.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the Statements of Accounts for 2013/14 be approved; and
- b) the audit letter of representation be approved.

CHANGE IN ORDER OF AGENDA ITEMS

With the Committee's agreement the Chairman brought forward the consideration of agenda item 7.

23. Investment Strategy - Risk Register

The Property and Facilities Management Manager presented a report detailing the Risk Register associated with the Investment Strategy approved by Cabinet on 10 April 2014

followed by Council's approval for the allocation of £5M of funding on 22 July 2014. The intention of the approved Investment Strategy was to invest in property or infrastructure assets, with the intention of increasing revenue returns to the Council, contributing towards the ambition of becoming more financially self sufficient.

The Property and Facilities Management Manager talked Members through the Risk Analysis and highlighted to Members the biggest risks. In response to questions he advised that a target rate of return would be set with an annual evaluation and this would measure its success. The setting up of a Trading Company was being investigated. If a Trading Company was set up this would reduce the time taken on processes. Officers had been in contact with other Councils on how they have set up Trading Companies and advice was also sought from experts on property investments.

Members requested that the risks identified in the Investment Strategy Risk Register were rearranged so that the low risks, medium risks and high risks were grouped together to be easily identifiable. The preference of long term tenants to short term tenants should also be included, and also the risks/controls associated with the appointment of external investment advisers.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the Risk Register with the suggested amendments and additions be agreed.

24. Internal Audit 2014/15 - 1st Progress Report

The Audit, Risk and Anti Fraud Manager presented a report that detailed the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan for the year 2014/15 and the outcome of the final Internal Audit reports issued since the meeting of the Audit Committee on 10 June 2014.

There were currently 9 reviews in progress with 2 being deferred, 1 until the fourth quarter and the second being deferred until 2015. Members were advised that due to 2 staffing vacancies more pressure had been placed on the delivery of the plan and overall effectiveness. The Committee expressed its concern that staffing issues were impacting upon the ability of the Internal Audit Team to deliver the agreed Internal Audit Plan, and stressed the importance of having the Team operating at full strength. Recruitment had been delayed until the outcome of the external review of Internal Audit was known. Quotes for the external review were being received by the Shared Services Partner, Dartford Borough Council, which would be discussed with the Chairman before an appointment was made. The outcome of the review would be reported back to the Audit Committee.

The final Audit Reports were either satisfactory or good. Planning and Development Control had two satisfactory opinions and 19 recommendations made. Most had now been implemented with only 4 outstanding.

Agenda Item 1

Audit Committee - 9 September 2014

In response to a question the Audit, Risk and Anti- Fraud Manager advised that number of Agresso 'super users' had been historical and had now been reduced to 2.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

25. Report on Internal Audit Recommendations Outstanding

The Audit, Risk and Anti Fraud Manager presented a report that updated Members on the progress of implementation of recommendations agreed with Management from Internal Audit reviews. The report highlighted the recommendations which were due and where implementation dates had been revised or where agreed, recommendations had not been implemented. Members were advised that since the agenda had been published the delayed implementations for Payroll had been applied. Safeguarding still had three implementations that were delayed and that a Kent County Council representative attends the Sevenoaks District Council (SDC) safeguarding meeting and SDC officers would be attending the Kent Board meetings. Contract procedure rules implementations were planned for the end of September 2014.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the information in Appendix A be noted; and
- b) the reasons for delayed implementation and revised dates for implementation provided by Management, be noted and endorsed.

26. Risk Management Training

The Audit Risk and Anti-Fraud Manager gave a presentation to Members on Risk Management which covered the generic principles, the Council's framework and the Committee's term of reference. In response to questions the Committee were advised that reports were brought to the Committee on an Annual basis which provided an opportunity for the new areas of risks which had been identified to be included. If there were new immediate high risks identified throughout the year these would be brought to the Chairman's and the Audit Committee's attention. The Committee thanked the Audit, Risk and Anti-Fraud Manager for the informative presentation.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Audit Committee - 9 September 2014

Resolved: That the presentation be noted.

27. Workplan

The work plan was noted. It was agreed that the Whistleblowing policy and a review of the Members' allowances scheme be added to 13 January 2014.

THE MEETING WAS CONCLUDED AT 9.05 PM

CHAIRMAN

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EXTERNAL AUDIT – HOUSING BENEFIT SUBSIDY 2013/14

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Information

Key Decision: No

This report supports the Key Aim of providing value for money.

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Recommendation to Audit Committee: That the report be noted.

Introduction

- 1 Grant Thornton, as the Council's external auditor, is required to certify certain grant claims submitted by the Council. This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.
- 2 Only one claim was certified for 2013/14, the Housing Benefit Subsidy Claim, relating to expenditure of £29m.
- 3 In previous years, there was also a requirement to certify the National Non-Domestic Rates Return, but following the change to the business rates retention scheme on 1 April 2013, this is no longer required. Council Tax Benefits were also replaced by the Local Council Tax Support Scheme on 1 April 2013 removing the requirement for that to be certified

Audit Outcome

- 4 Housing Benefit Subsidy is a complex claim which was qualified but not amended.
- 5 Errors were identified in the 2013/14 return; however the number continues to reduce each year. This reflects the measures taken to update the system, increase training and the quality assurance process. Although the impact of these errors on the value of the overall claim was relatively minimal, it is important to claimants that their benefit is calculated correctly. The Department for Work and Pensions (DWP) stipulates high standards of accuracy resulting in any claims being incorrect by as little as 1p are classified as errors and additional testing is then required on a larger sample.

Agenda Item 5

- 6 The audit fee for grant claims in 2013/14 is £19,000 (subject to confirmation). This is less than the £20,638 charged in 2012/13 and £51,662 charged in 2011/12.

Actions being taken

- 7 There was one recommendation included in the Action Plan which was the following:
- Review and training to address issues identified by the 2013/14 audit including
 - Calculation of claimant employed earnings,
 - Calculation of claimant self employed earnings.
- 8 The actions being taken by the Benefits Manager and Quality Manager are to carry out on-going quality checking and put a training programme in place.

Key Implications

Financial

The financial implications are included elsewhere in the report.

Legal Implications and Risk Assessment Statement.

There are no legal implications.

The work carried out by the external auditors provides a thorough examination of the grant claim processes of the Council. Any significant issues found are reported to Members.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices None

Background Papers: None

Adrian Rowbotham
Chief Finance Officer

EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2013/14

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Information

Key Decision: No

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Recommendation to Audit Committee: That the report be noted.

Introduction and Background

- 1 Andy Mack, from Grant Thornton, would like the opportunity to present the Annual Audit letter 2013/14 (Appendix A) to Members.
- 2 Grant Thornton were appointed as the Council's external auditors to replace the Audit Commission with effect from 1 November 2012. This followed a procurement exercise to outsource the work of the Commission's in-house audit practice into five regional contracts.

Annual Audit letter 2013/14

- 3 The purpose of this letter is to summarise the findings arising from the work carried out for the year ended 31 March 2013 and to communicate key messages to the Council and external stakeholders, including members of the public.
- 4 The work carried out during the year consisted of:
 - Audit of the accounts (financial statements).
 - Value for Money.
 - Whole of Government Accounts.
 - Certification of grant claims and returns.

Key Implications

Financial

There are no financial implications.

Agenda Item 6

Legal Implications and Risk Assessment Statement.

There are no legal implications.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices

Appendix A – Annual Audit letter 2013/14

Background Papers:

None

**Adrian Rowbotham
Chief Finance Officer**

The Annual Audit Letter for Sevenoaks District Council

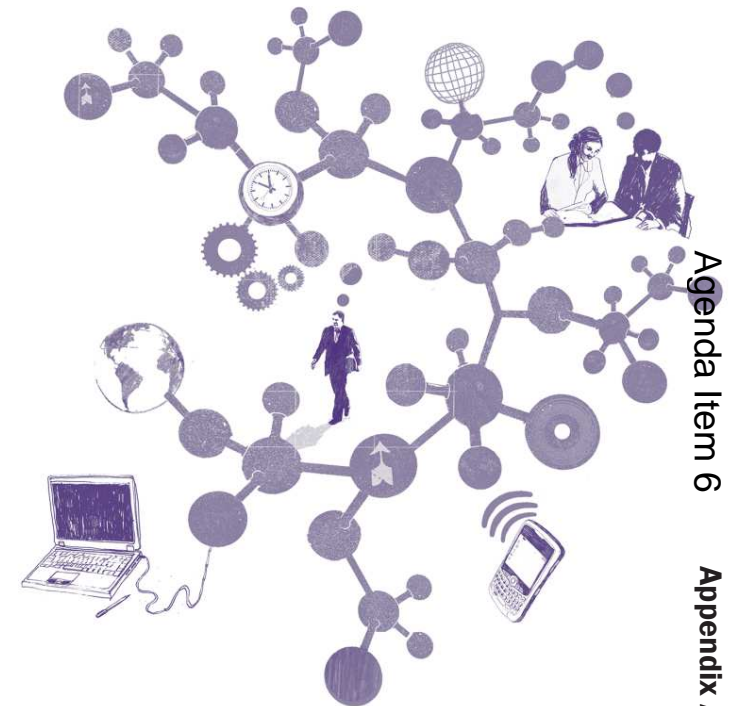
Year ended 31 March 2014

October 2014

2014
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Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Sevenoaks District Council ('the Council') for the year ended 31 March 2014.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that presented to the Audit Committee on 10 June 2014 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

<p>Financial statements audit (including audit opinion)</p> <p>Page 13</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 9 September 2014 to the Audit Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • The financial statements were provided by the deadline, although as last year, there was scope to reduce the number of presentational errors through a more thorough quality review process • The quality of the working papers and documents supporting the balances within the financial statements were of a good standard. • Our substantive testing of the balances within the financial statements identified only two issues which related to non domestic rates and gross expenditure and gross income figures, that the Council adjusted. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 19 September 2014, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p>
<p>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 19 September 2014.</p> <p>Overall our work highlighted the Council has effective arrangements. The Council has a detailed ten year financial plan and has identified its key financial targets for the period up to 2024. Financial governance arrangements are strong and effective financial control enabled the successful delivery of planned financial outcomes for the year</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.</p>

Key messages

Whole of Government Accounts	Also on 19 September 2014, we submitted the short form assurance statement on the Council's Whole of Government Accounts.
Certification of grant claims and returns	Our work on the Council's Housing Benefit Claim is in progress and we expect to meet the certification deadline of 30 November 2014.
Fee	Our fee for 2013/14 was £80k, excluding VAT, which is £7k less than our planned fee for the year. Further detail is included within appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit.

No.	Issue and recommendation	Priority	Management response/ responsible office/ due date
1.	<p>The audit identified misclassifications and disclosure notes which required amendments.</p> <p>Recommendation: As recommended last year the Council should consider building into the financial statements preparation process a more thorough comprehensive quality assurance review to identify errors.</p>		<p>Additional time was included for this purpose in 2013/14 and further resources will be allocated for this purpose in 2014/15 to carry out a more thorough review.</p> <p>Responsible officer: Head of Finance</p> <p>Due date: June 2015</p>

Appendix B: Reports issued and fees

We confirm below the fee charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Per Audit plan £	Actual fees £
Audit Fee	56,641	59,541
Grant certification fee	30,300	Estimate 20,000
Total fees	£86,941	£79,541

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There is additional fee of £900 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify Non Domestic Rate (NDR) returns. The additional fee is 50% of the average fee previously charged for NDR3 certifications for District Councils and is subject to agreement by the Audit Commission. There is an additional fee of £2,000 due to the number of presentational errors in the draft financial statements and is subject to agreement by the Audit Commission.

The reduction in the grant certification fees is because some grant claims previously subject to audit certification now fall outside of the Audit Commission remit, but were originally included within the planned fees. This work is in progress.

Fees for other services

Service	Fees £
None	Nil

Reports issued

Report	Date issued 2014
Audit Plan	June
Audit Findings Report	September
Certification report	Planned December
Annual Audit Letter	October



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INTERNAL AUDIT PROGRESS REPORT

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Delivery of the Corporate Plan

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Bami Cole, ext.7236

Recommendation to Audit Committee: That Members:

Note the contents of the report and the progress made by the Internal Audit Team in delivering the 2014/15 Annual Internal Audit Plan

Reason for recommendation: The Audit Committee is required to review the progress of the Internal Audit Plan in compliance with its terms of reference.

Introduction

- 1 This report provides details of the progress of the Internal Audit Team in delivering the Annual Internal Audit Plan 2014/15 and outcomes of final internal audit reports issued since the meeting of the committee in September 2014.
- 2 The Internal Audit function is a key process of the Council's overall governance arrangements. Its key purpose is to conduct independent reviews of the Council's system of internal controls and to provide an assurance to both senior Management and Members regarding the effectiveness of such systems. In fulfilling his duty and responsibilities, the Audit Manager, is required to report to the Audit Committee on the progress made in delivering the internal audit plan in meeting the Council's assurance requirements, in accordance with regulatory requirements and relevant professional standards.

Summary of Issues Raised Within the Report:

- 3 A summary of progress made towards delivering the assurance requirements for 2014/15 is attached as Appendix A to this report, which sets out details of the reviews agreed by the Audit Committee in March 2014. Members may note that 13 planned reviews are in progress. However, only two have been finalised to date. Completed reviews and work in progress make up 65% of the original plan and 72% of the amended plan (see para 4 below). In addition, the team also completed an unplanned VFM review of the Council's postal service, which was specifically requested by Members.

Agenda Item 7

- 4 Members are advised that two reviews have been requested by Senior Management to be deferred, due to operational reasons. They are set out in Appendix A of this report.
- 5 Appendix B sets out details of the final reports which were issued since the last meeting of this committee and provides a brief summary of the findings and recommendations agreed with service management, to address any areas for further improvements, which are required to strengthen internal controls. Further details on any of the issues raised on the report summaries would be provided to members of this committee on request.

Internal Audit Resources

- 6 Internal audit resources have been under capacity during the period, due to two staffing vacancies, equivalent to 42% of auditor resources for the shared services audit team. One of the vacancies relates to the key role of Principal Auditor. This has consequently put some strain on delivery of the plan and overall effectiveness. However, this is being mitigated to some extent, by the use of agency staff in the short term.

New Public Sector Internal Audit Standards

- 7 Members were previously advised at their last meeting in September 2014, of the proposed action plan required to implement the new Internal Audit Standards, which came into effect in April 2013. A key aspect of which was the proposals for the external review of internal audit, which Members approved at the meeting in September 2014. The external review is currently ongoing, at the time of writing this report. It is expected that Members would receive an update on the progress of the review from the Chief Finance Officer at the meeting in January 2015.

Key Implications

Financial

- 8 Not Applicable.

Legal Implications and Risk Assessment Statement.

- 9 No additional legal implication beyond the Council's duty to comply with the Accounts and Audit Regulations 2011.

The Council is required to comply with the requirements of the Accounts and Audit Regulations 2011, regarding its "arrangements to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". Staffing vacancies place a strain on internal audit capacity and its ability to deliver an effective service. The use of temporary agency staff provides a short term, but less effective solution.

Equality Impacts

- 10 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users

Sustainability Checklist

11 Not Applicable.

Conclusions

12 This report sets out progress of the Internal Audit Team in delivering the Council's assurance requirements for 2014/15 and provides a summary of final reports issued since the meeting of the Audit Committee in September 2014. The team is currently under capacity as a result of two staffing vacancies. The temporary arrangement of using agency staff provides some relief in the short term, but is a less effective solution.

Appendices

Appendix A – Progress Against 2014/15 Plan

Appendix B - Summary of Final Reports Issued

Appendix C - Audit Opinions - Definitions

Background Papers:

[Internal Audit Annual Plan for 2014/15](#)

New Public Sector Internal Audit Standards 2013

<http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>

[Audit Committee Report 9 September 2014](#)

Accounts and Audit Regulations 2011

<http://www.legislation.gov.uk/uksi/2011/817/contents/made>

Adrian Rowbotham
Chief Finance Officer

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PROGRESS AGAINST 2014/15 INTERNAL AUDIT PLAN					Status at 18/12/14		
		Final report issued	Draft report issued	Feedback process in progress	Fieldwork in progress	Brief issued	Possibly defer or cancel
1	Key Financial Systems						
2	Insurance Arrangements			x			
3	Council Tax/NDR				x		
4	Council Tax Support & Housing Benefit			x			
5	New Cash Till Arrangements						x
6	Payroll						x
7	Procurement & Contracting			x			
8	Corporate Governance & AGS			x			
9	Senior Management & Organisational Changes			x			
10	Risk Management						
11	Performance Management			x			
12	Markets	x					
13	Council's Electoral Process				x		
14	Data Protection & Records Man			x			
15	Disabled Facilities Grants			x			
16	Arrangements for Imp CIL						
17	Agency Staff & Contracting Including Contracting				x		
18	Building Control	x					
19	Dunbrik						
20	Repair & Maintenance Arrangements						
	VFM Postage Review	x					
	Total	3	0	8	3	0	2

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VFM Review of Postage 2014/15**Issued 23 October 2014**

Opinion: Control Framework – Good
Compliance with Framework – Good

The purpose of this review was to carry out a value for money exercise of the Council's postal services in order to provide an assurance regarding fitness for purpose in delivering a cost effective and efficient service. This review was specifically requested by Members of the Audit Committee at the meeting of 18th March 2014.

The review was undertaken in accordance with the key value for money principles and approach of Economy, Efficiency and Effectiveness in delivering a quality service that is fit for purpose in meeting service requirements.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not monitor and analyse it's usage of postage stationery (envelopes) and procure accordingly.
- 2) Risk that the Council may have unnecessary stock levels of postage items encouraging inefficient usage.
- 3) Risk that the Council may not use the most effective means of communicating with relevant parties.
- 4) Risk that the Council may not use the postal stationery economically in fulfilling its responsibilities.
- 5) Risk that the Council may not be using the most cost effective methods of communicating with stakeholders or third parties and may be over reliant in postal services.

Audit testing results indicated that controls were fully met regarding all five of the areas covered.

The opinion of the auditor is that the framework in place to achieve economy, efficiency and effectiveness is "good". Additionally, the implementation of controls to ensure achievement of cost-effectiveness is also "good". This meant that in addition to the high level of control framework in place, compliance with the framework was also effective in providing good value for money for the Council. To this effect, no further recommendations were necessary; as it was felt further proposals would not be cost effective.

Review of Building Control 2014/15**Issued 23 October 2014**

Opinion: Control Framework – Good
Compliance with Framework – Good

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place established for the management of the Council's Building Control Service. Key areas examined were service compliance with relevant legislation and the efficiency of service delivery.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation (including governance arrangements), policies of good practice.
- 2) Risk that Building Control literature and guidance may not be clear or detailed for the public.
- 3) Risk that procedures may not be sufficient to deal with the checking of applications/appeals.
- 4) Risk that fee levels may not be reviewed or set appropriately.
- 5) Risk that Building Control activity timetable, deadlines and milestones may not be met.
- 6) Risk that sufficient measures may not be in place to deal with Building Control complaints and/or contraventions.
- 7) Risk that income records may not be sufficient to ascertain whether fees have been correctly received (before site visits etc.)
- 8) Risk that fraud and corruption may be undetected.
- 9) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 10) Risk assessments may not be undertaken and risks not adequately managed.

Audit testing results indicated that:

- In relation to the Control Framework, controls were fully met for all 10 of the risks examined.
- In relation to the effectiveness of the framework, controls were fully met for eight of the risks examined, while two (risk 1 and risk 3) was partially met.

The opinion of the auditor was that the control framework was "good". This meant that a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. The effectiveness of the control framework was also "good"

Two recommendations were agreed with Management to address the area where controls were partially met. This relates to risk 1 and risk 3 respectively.

- Ensure that receipt numbers are recorded on all applications to establish an effective audit trail between the main accounting system and uniform system.
- Ensure that the Street naming policy is approved, and relevant procedures are updated in line with changes/additions, it is version controlled and has a next date review.

Members will be advised of the progress in implementing these recommendations in due course.

Review of Markets 2014/15**Issued 24 November 2014**

Opinion: Control Framework – Good (Previous year – N/A)
Compliance with Framework – Good (Previous year – N/A)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place for the management of the Council's markets, including the proposed changes for the administration of the Council's markets. To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policy or good practice.
- 2) Risk that the proposed changes to the market service and the associated risks are not actioned or implemented.
- 3) Risk that the licence agreements are not clearly documented and may not adequately reflect the Council's requirements or objectives.
- 4) Risk that there is insufficient arrangements to ensure that the markets operate in accordance with agreements.
- 5) Risk that all income due to the council may not be received.
- 6) Risk of fraud and/or corruption.
- 7) Risk that opportunities to demonstrate efficiency or VFM may not be maximised and in particular the proposed changes may not generate VFM benefits.
- 8) Risk assessments may not be adequately undertaken and risks not adequately managed.

Audit testing results indicated that controls were fully met in five of the aspects examined, whilst three aspects were partially met in relation to compliance. (Risks 1, 4 and 8).

The opinion of the auditor was that the framework of controls for the SDC markets system was "good". Additionally, compliance with the framework was also found to be "good". This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were

substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following three recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 1, 4 and 8.

- A copy of the Sevenoaks Town Council market trading rules and regulations should be on file to gain assurance the regulations ensure compliance with the licence agreement.
- Significant matters of discussion relating to the operation of the Sevenoaks High Street markets should be documented and retained on file. This will provide assurance that agreed actions have been recorded if at a later stage there are disputes or challenges on what action has been agreed.
- Appropriate risk assessments should be on file for the Sevenoaks High Street markets. The assessment should cover as a minimum, the following matters;
 - a) The Health & Safety Requirements
 - b) Fire Regulations
 - c) Public Liability Insurance.

Members will be advised of the progress in implementing these recommendations in due course.

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DEFINITIONS OF AUDIT OPINIONS

Opinion	Framework	Effectiveness(Implementation)
Excellent	... innovative frameworks are in place, which demonstrate efficiencies and excellent value for money, whilst ensuring the achievement of service objectives, good corporate governance and high level of protection for the council against foreseeable risks.	... there is full compliance with the framework of controls and the risk management process is considered to be fully effective. There is evidence of notable practice and no areas of concern were identified.
Minimum requirement	All controls are in place	All controls are fully implemented
Good	... a high level of control framework is in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks.	... the framework of controls is substantially being complied with and risk management process is considered to be good. Only minor errors or omissions identified
Minimum requirement	All controls are in place	51% or above of risks examined are low and the remainder are medium. Limited room for further development
Satisfactory	... controls exist to enable the achievement of service objectives, obtain good corporate governance and mitigate against significant foreseeable risks.	... occasional instances of failure to comply with the control process were identified and opportunities still exist to mitigate further against potential risks.
Minimum requirement	Control requirements are substantially met	Up to 50% of risks examined are medium or low. Opportunities for further developments exists requiring constructive proposals for management consideration
Un-satisfactory	... limited controls are in place but there are gaps in the process, which leave the service exposed to foreseeable risks. Hence further development in framework is needed to make the system effective.	... there is an urgent need to introduce additional controls and improve compliance with existing controls, to reduce the risk exposure to the Council.
Minimum requirement	Control requirements are patchy and unreliable	Testing results identified one or more high risk

Un-acceptable	... controls are considered to be inadequate or non-existent with the absence of at least one critical control mechanism. An urgent need exists to introduce appropriate level of controls without delay.	... failure to urgently improve controls leaves the Council exposed to significant risk, which could lead to major financial loss, embarrassment, or failure to achieve key service objectives. Note: compliance testing in this circumstance may not add value. However, there would be some value in conducting weakness testing in some circumstances to determine the level of “threat” or “loss” to the Council. Hence an opinion for compliance may not be given where the framework is “unacceptable”
Minimum requirement	No evidence of controls exit	Testing results identified one or more very high risk

REPORT ON INTERNAL AUDIT RECOMMENDATIONS OUTSTANDING

Audit Committee – 13 January 2015

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Bami Cole Ext. 7236

Recommendation to Audit Committee: That Members:

- a) review the information in Appendix A and request further information or explanation as appropriate; and
 - b) note the reasons for delayed implementation and endorse the revised dates for implementation provided by management, as noted in Appendix B to the report.
-

Introduction

- 1 Members agreed at the meeting on 18 March 2014 to include in the meeting agenda of the Committee, a report on the implementation of Internal Audit recommendations. This report is to update Members on progress of the implementation of recommendations agreed with management, and to report on outstanding recommendations due for implementation by 30 November 2014.
- 2 The report also informs the Committee where implementation dates have been revised, or where agreed recommendations have not been implemented.

Summary of Issues Raised Within the Report

- 3 Appendix A provides a summary of the reports for which relevant management had agreed recommendation implementation dates for the period to 30 November 2014. Internal Audit has obtained the current status from the responsible managers, but it should be noted that, where implementation has been confirmed, Internal Audit has not yet undertaken any additional testing to verify this. Implementation checks will be carried out in due course, usually between 3 to 6 months of the agreed implementation date.
- 4 Appendix B provides details of recommendations where management have advised Internal Audit that implementation of agreed actions has initially been delayed from the date originally stated. Enquires with management indicates that satisfactory progress is being made, or proposed; and that there are no major concerns arising as a result of the change in implementation date. However

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Internal Audit will continue to monitor progress where appropriate and report back to the Audit Committee as necessary.

- 5 Appendix C will provide details of recommendations where implementation is no longer intended. However, there is none to report at this time.

Key Implications

Financial

- 6 This report has no financial implications.

Legal Implications and Risk Assessment Statement

- 7 The purpose of Internal Audit recommendations is to manage identified risks and improve internal controls and value for money in service provision. Consequently risk profiles may increase in areas where the implementation of recommendations is delayed, if there are no compensating mitigating controls in place. This may have potential financial and legal consequences for the Council. Members consideration of this report will facilitate the Council's ability to manage such risks.

Value for Money and Asset Management

- 8 Timely implementation of Internal Audit recommendations would facilitate the Council's ability to obtain greater value for money and guard against waste, inefficiency and identified risks.

Equality Impacts

- 9 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users

Conclusions

- 10 The report on recommendations outstanding enables Members to review the timeliness of implementation of Internal Audit recommendations. When recommendations have not been implemented, it enables Members to seek explanations, or agree revised dates. If management propose not to action recommendations and accept the risk, Members can review this action to determine if it meets the objectives of the Committee and the Council's risk appetite. Where appropriate, Members may request responsible management to attend the Committee and provide further explanations as necessary.

Appendices

Appendix A – Summary of recommendations followed up

Appendix B – 'Overdue' recommendations where implementation delayed

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer

SUMMARY OF RECOMMENDATIONS FOLLOWED UP

Audit (Number of Recommendations originally accepted)	Date final report issued	Number of recommendations where implementation not yet due	Number of recommendations where implementation now confirmed by management	Number of recommendations where management advise that implementation delayed (Appendix B)	Number of recommendations where management advise that implementation is no longer intended (Appendix C)	Number of recommendations where implementation not confirmed or alternative date not provided
Emergency Planning Arrangements 2011/12 (10)	8/5/12	0	8	2	0	0
Council Tax/NNDR 2012/13 (4)	24/6/13	0	3	1	0	0
Part C Safeguarding 2013/14 (7)	23/8/13	0	7	0	0	0
Payroll 2013/14 (4)	30/8/13	0	3	1	0	0
Section 106 Agreement 2013/13 (5)	19/12/13	1	4	0	0	0
Purchasing & Creditors 2013/14 (2)	18/2/14	0	1	1	0	0
Contract Management 2013/14 (1)	18/2/14	1	0	0	0	0
Council Tax/NNDR 2013/14 (2)	26/2/14	1	1	0	0	0
IT Security 2013/14 (4)	21/7/14	1	1	2	0	0
Planning & Development Control 2013/14 (19)	1/8/14	1	17	1		
Cash & Bank	1/8/14	0	1	0		

APPENDIX A

Reconciliations 2013/14 (1)						
Main Accounting 2013/14 (1)	1/8/14	0	1	0	0	0
Building Control 2014/15 (2)	23/10/14	1	1	0	0	0
Markets 2014/15 (3)	24/11/14	0	3	0	0	0

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'OVERDUE' RECOMMENDATIONS WHERE IMPLEMENTATION HAS BEEN DELAYED

Audit: Emergency Planning, Business Continuity & the Olympics 2011/12

Recommendation	Priority/ ranking	Original response	Previous Responses	Latest position + (source)
5. The revised Business Continuity Plan should be tested to ensure that it is fit for purpose. Outcomes of the test should be reported to Management Team and any lessons learnt should be addresses and disseminated to Key Officers within the plan.	Medium	<p>Agreed Action: Agreed</p> <p>Responsible Officer: Building Control and Emergency Planning Manager</p> <p>Recommendation Implementation Date: 31 March 2013</p>	<p>This is included in the agreed action plan and will be undertaken in May 2014.</p> <p>Revised date: June 2014.</p> <p>Due to the flooding response for the first 2 months of the year, we moved the updating of the Emergency Plan and the Business Continuity Plan by a couple of months, now with a committee date of July.</p> <p>Building Control and Emergency Planning Manager – 13/5/14</p>	<p>Testing of the Business Continuity Plan will be held during the second quarter of 2015, once training has been arranged on the new plan.</p> <p>Building Control and Emergency Planning Manager – 8/12/14</p> <p>Audit Manager Comments:</p> <p>Members will be advised in due course of further developments.</p>
7. Once all documents are updated, they should be uploaded onto the appropriate Simon web page in order that staff can access the most recent version.	Low	<p>Agreed Action: Agreed</p> <p>Responsible Officer: Service Managers/Building Control and Emergency Planning Manager</p> <p>Recommendation Implementation Date:</p>	<p>This is linked to item 12 if the implementation action plan and will be undertaken once this stage is complete and the revised intranet is confirmed as secure.</p> <p>Revised date: May 2014</p> <p>As recommendation 1 above.</p>	<p>Revised plans are due to be reprinted and circulated during the first quarter of 2015. This will also include linking to electronic versions of documents.</p> <p>Building Control and Emergency Planning Manager – 13/5/14</p> <p>Audit Manager Comments:</p> <p>Members will be advised in due</p>

Recommendation	Priority/ ranking	Original response	Previous Responses	Latest position + (source)
		31 March 2013	Building Control and Emergency Planning Manager - 13/5/14	course of further developments.

Audit: Council Tax/NDR 2012/13

Recommendation	Priority/ ranking	Original response	Previous response	Latest position + (source)
A review should be undertaken to ascertain whether Council Tax and NDR online payments could be received and processed consistent with other Council services.	Low	<p>Agreed Action: As above</p> <p>Responsible Officer: Principal Accountant IT Manager</p> <p>Recommendation Implementation Date: 31/12/13</p>	<p>The PID is being submitted to the IT Steering Group next Tuesday (6th May), we expect that this will take about 10 - 15 days of development and testing as once we turn on 3D Secure for one payment type all other payments will also use 3D secure and each payment type will need testing.</p> <p>Based upon current workloads within the team it is likely that this work will be completed by October 2014 however as this is not a statutory requirement, only best practice it may slip depending on other requests that are submitted.</p> <p>IT Manager - 28/4/14</p>	<p>Internal Audit was advised by the IT Manger on 8/12/14 that this recommendation is still on the IT steering group's work plan, but is not of a high priority due to its low risk and due to other projects of much greater significance for the Council. The IT manger is happy to keep the item on the list of actions for the IT steering group in the short term, to see if resource will permit further action on this.</p> <p>Audit Manager Comments: Given that this issue is a low risk, Members may wish to determine whether it ought to be removed from the agreed list of actions, if resource levels do not permit it being implemented by the end of March 2015.</p>

Audit: Payroll 2013/14

Recommendation	Priority/ ranking	Original response	Previous response	Latest position + (source)
<p>1. There should be a regular programme of review for all HR policies. Documents should be updated with the last review date to ensure that the most current version is issued to new employees and is available to all staff on SiMON.</p> <p>The Employee Code of Conduct should be included in this review to ensure that it reflects the Council's policy on Whistleblowing and Anti-Fraud.</p> <p>Appropriate arrangements should also be made to ensure that all relevant policies, required for new starters, are identified and that the most updated versions are included in the joining instructions.</p>	<p>Medium</p>	<p>Agreed Action: Agreed</p> <p>A task group is being put into place from September 2013 onwards to review all HR Policies.</p> <p>Responsible Officer: Head of HR</p> <p>Recommendation Implementation Date: 28 February 2014</p>	<p>We do now have the IT security policy through Net consent that is read by all new starters before logging on to SDC systems.</p> <p>Other HR policies are currently being reviewed by Unison and the staff consultative group, and we hope to be publishing these later this year. The Employee Code of Conduct is included as an appendix in the Disciplinary Policy.</p> <p>Head of HR - 27/2/14</p> <p>The policies are still under review with UNISON and the Staff Consultative Group, it is hoped this will be completed by October 2014.</p> <p>Human Resources Manager – 5/8/14.</p>	<p>This process has proven to be more lengthy than we first anticipated and although some policies have been updated, this is still on-going. Three policies are currently with the Staff Consultative Group for comment. The Disciplinary, Grievance and Career Break policies are currently being considered by them and they have until 19 December to come back with any comments. Following this, they will be taken to SMT for final sign off.</p> <p>Human Resources Manager – 5/8/14.</p> <p>Audit Manager Comment: The Audit Committee will be kept informed of developments regarding this recommendation at the meeting in March 2015.</p>

Audit: Purchasing & Creditors 2013/14

Recommendation	Priority/ ranking	Original response	Previous response	Latest position + (source)
<p>Consideration must be given as to the process that should be followed following an officer's departure. This should include an out of office diversion and alert if the inbox is to remain open.</p>	<p>Low</p>	<p>Agreed Action: As above.</p> <p>Responsible Officer: IT Services Manager</p> <p>Recommendation Implementation Date: April 2014</p>	<p>The SDC Finance will be implementing new procedure rules regarding the processing of invoices. This new procedure radically changes the method that invoices are received.</p> <p>In July 2014, the finance team will be providing SDC staff with training on the following procedures:</p> <ul style="list-style-type: none"> • Invoices should no longer be sent to named individuals, either by post or by email. • Invoices will be sent to the Creditors team and recorded within the Agresso Financial Management System. • An electronic notification will be sent to the appropriate officer informing them that an invoice is awaiting authorization. • Invoice is authorized by the officer and then payment is made by Finance using BAC's or cheque (where needed) 	<p>The job is still pending at the moment but we are expecting to complete the outstanding action by the end of December 2014</p> <p>Head of Finance – 4/12/14</p> <p>Audit Manager Comment: The Audit Committee will be kept informed of developments regarding this recommendation at the meeting in March 2015.</p>

Recommendation	Priority/ ranking	Original response	Previous response	Latest position + (source)
			<p>From August 2014, the finance team will be contacting all suppliers and informing them of the following:</p> <ul style="list-style-type: none"> Invoices should where possible, be emailed to creditors@sevenoaks.gov.uk, where email is not possible then they should be posted to 'Creditors, Sevenoaks District Council, Argyle Road, Sevenoaks, Kent. TN13 1HG'. <p>This process is due to be fully implemented and embedded by the end of August 2014. The lead officer for this is Helen Martin, Head of Finance.</p> <p>IT Services Manager – 30/6/14</p> <p>Due to some prolonged staff absence we have not been able to complete this work by the original deadline. I now expect to be able to do this by the end of November.</p> <p>Head of Finance – 3/10/14</p>	

Audit: IT Security 2013/14

Recommendation	Priority/ ranking	Original response	Latest position + (source)
<p>1. Consideration needs to be given as to how access controls can be monitored for temporary/contract staff.</p> <p>Consideration needs to be given to current physical access controls and whether access to certain areas should be fully restricted to IT only.</p> <p>An external audit of environmental controls must be undertaken</p>	<p>Low</p>	<p>Agreed Action: Explore a possible link to the enta-card activation and termination. Also possible purchase of software which provides regular, comprehensive reports of all access groups.</p> <p>The IT Service Manager is to look into the possibility of removing access to some areas and the impact this will have on property.</p> <p>That a review of environmental controls take place by a third party data center specialist.</p> <p>Responsible Officer: IT Service Manager</p> <p>Recommendation Implementation Date: September 2014 (this may be extended dependent on the amount of work required and to minimize disruption to service)</p>	<p>The IT Manager advised internal audit on December 2014 that a review of the existing enta-card system and the Council’s computer system has been undertaken. The enta-card system cannot be integrated.</p> <p>The review of restricted Access to areas is yet to be carried out</p> <p>Two companies have been approached regarding Environmental Controls but no proposals have been received. Efforts are continuing to source other recommended suppliers</p> <p>Audit Manager Comment: The Audit Committee will be kept informed of developments regarding this recommendation at the meeting in March 2015</p>
<p>2. The IT Service Manager needs to ensure that the Disaster Recovery plan is completed with links to the Corporate Plan.</p>	<p>Low</p>	<p>Agreed Action: As above</p> <p>Responsible Officer: IT Service Manager</p> <p>Recommendation Implementation Date: September 2014 (but dependent</p>	<p>The IT Manager advised internal audit that the Corporate Business Continuity plan was taken to the relevant SDC committee in November 2014 where it was accepted. The IT team are now concluding their aspect of the plan and hope to have it completed and tested by March 2015.</p>

Recommendation	Priority/ ranking	Original response	Latest position + (source)
		on the completion of the Corporate Plan which is outside of IT's control)	Audit Manager Comment: The Audit Committee will be kept informed of developments regarding this recommendation at the meeting in March 2015

Audit: Planning & Development Control 2013/14

Recommendation	Priority/ ranking	Original response	Latest position + (source)
<p>14. Officers' delegation letters should include financial limits and clear referral instructions to obtain higher levels of approval if those financial limits are exceeded related to their staff grade/seniority. This should also include the Chief Planning Officer where very large cases are involved even though these cases would likely go to other senior officers, Development Control Committee and likely involve Council/Cabinet.</p>	Medium	<p>Agreed Action: Agreed that recommendations 14 & 15 need to be reviewed to ensure responsibilities and access is appropriate to roles, recorded for clarity and in consultation with IT that Uniform controls can be implemented.</p> <p>Responsible Officer: Chief Planning Officer/Planning Manager</p> <p>Recommendation Implementation Date: 31/8/14</p>	<p>This task is underway and will be completed by 31 December 2014.</p> <p>Chief Planning Officer – 4/12/14</p> <p>Audit Manager Comment: The Audit Committee will be kept informed of developments regarding this recommendation at the meeting in March 2015.</p>

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REPORT ON UPDATED WHISTLEBLOWING POLICY

Audit Committee – 13 January 2015

Report of the: Chief Finance Officer

Status: For Consideration

Key Decision: No

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Bami Cole Ext. 7236

Recommendation to Audit Committee: That Members:

Review and approve the proposed amendments to the Council's Whistleblowing Policy.

Introduction

- 1 This report sets out the proposed amendments to the Council's Whistleblowing Policy, which incorporates the requirements of the new Statutory Code of Practice, recommended by the Whistleblowing Commission in 2013.
- 2 The Whistleblowing Commission was established in February 2013 by the Whistleblowing Charity, 'Public Concern at Work'. The Commission produced a code of practice in 2013 which is intended to make whistleblowing more effective within organisations and recommends that it is rooted in statute. The code could be taken into account in court cases and by regulators.
- 3 The Code of Practice provides practical guidance to employers, workers and their representatives and sets out recommendations for raising, handling, training and reviewing whistleblowing in the work place.

Summary of Issues Raised Within the Report

- 4 The Council's existing whistleblowing policy substantially meets the code requirements. However, where appropriate, amendments have been made to incorporate the new code of practice, in order to reflect the latest development in best practice. The whistleblowing policy reflects Sevenoaks Council's existing anti-fraud and corruption framework.
- 5 A sound whistle blowing arrangement is an essential part of good governance. Sevenoaks District Council is committed to good governance and robust anti-fraud and corruption arrangements.

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6 Details of Amendments to the Policy.

The existing whistleblowing policy has been amended to reflect the new code and is attached as an appendix to this report. Only minor changes have been where appropriate, to reflect the new Code of Practice. The changes made are set out in “blue” for easy identification by Members. The Strategic Management Team approved the changes on 11 December 2014. The changes are set out on the following sections of the policy, attached as Appendix A to this report:

- 1.1 and 1.2 (Overview)
- 2.3 (Aims and Scope of this Policy)
- 3.1.4 (Safeguards)
- 3.3.1 (Anonymous Allegations)
- 4.1 and 4.2 (How to Raise a Concern)
- 7.1 (How the Matter Can be Taken Further)
- 9.1 and 9.2 (Training, Disseminating and Monitoring)
- Annexes 1 and 2

Key Implications

Financial

7 Not applicable

Legal Implications and Risk Assessment Statement

8 The Council is required to have sound anti-fraud and corruption arrangement as part of its overall governance framework. By adopting the requirements of The Whistleblowing Commission’s Code of Practice, the Council will be compliant with regulatory requirements, as well as ensuring that it has effective arrangements in place to manage the risk of fraud occurring.

Value for Money and Asset Management

9 A sound whistle blowing arrangement will contribute towards the Council’s value for money aim in service delivery and effective asset management.

Equality Impacts

10 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users

Conclusions

11 The Council is required to have sound anti-fraud and corruption arrangement as part of its overall governance framework. By adopting the requirements of The Whistleblowing Commissions’ Code of Practice, the Council will be compliant with regulatory requirements.

Appendices

Appendix A – Whistleblowing Policy
January 2015

Background Papers:

Whistleblowing Commission Code of
Practice 2013.

Adrian Rowbotham
Chief Finance Officer

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WHISTLEBLOWING POLICY

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Whistleblowing Policy

1.0 Overview

- 1.1 [Sevenoaks District Council is committed to having effective whistleblowing arrangements, in order to safeguard individuals who have genuine cause for raising concerns in the work place and to promote good governance and safeguard the public interest. To facilitate this commitment, this whistleblowing policy incorporates both the requirements of The Public Interest Disclosure Act 1998 and the Whistleblowing Commission's Code of Practice 2013. The policy also underpins the Council's Anti-Fraud and Corruption Strategy.](#)
- 1.2 Key Requirements of the Public Disclosure Act 1998:
- (a) It is designed to give statutory protection to employees who “blow the whistle” on their employer’s malpractice;
 - (b) although not requiring the employer to set up an appropriate mechanism for dealing with whistleblowing, the Act makes clear the important role that such a mechanism can play in helping the employer comply with the law (a good policy, is one key way, to deliver accountability throughout the organisation). [To this effect, the Council has adopted the Whistleblowing Commission's Code of Practice 2013, which sets out best practice whistleblowing framework for the Public Sector.](#)
- 1.3 The Council aims to mitigate the risk of inappropriate behaviour by those undertaking work on behalf of the Council. To mitigate the risks of inappropriate behaviour, the Council refers to this Policy in contracts with suppliers and service providers, in the Procurement Guide and in its partnership arrangements.
- 1.4 The Council takes seriously and will investigate all reports of improper activities. This Policy aims to ensure that when concerns are raised, the Council will address the concerns and protect the person raising the concern. Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment, victimisation or recrimination from the Council. The Council takes its responsibilities for safeguarding public funds and assets seriously, as well as safeguarding the well-being of its employees. Thus this Policy outlines a framework which provides potential whistleblowers the opportunity to communicate their concerns within a safe environment without fear of recrimination.
- 1.5 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, the Council expects employees and others that they deal with who have serious concerns about any aspect of the Council’s work, to come forward and

voice those concerns. The Council recognises that whistleblowers may wish to raise concerns on a confidential basis.

- 1.6 This Policy applies to all employees (including temporary and agency staff), councillors, co-optees, contractors, their agents and/or sub-contractors, consultants, suppliers and service providers in the course of their work for the Council.
- 1.7 This Policy does not replace the Council's Corporate Complaints and Grievance Procedures and/or any other statutory reporting procedures applying to the Council.
- 1.8 This Policy furthers the aims of and is complementary to the Code of Conduct for Local Government Employees, the Council's Anti-Fraud and Corruption Strategy and the Member Code of Conduct.

2.0 Aims and Scope of this Policy

2.1 This Policy aims to:

- encourage employees to feel confident in raising serious concerns and to question and act upon concerns in practice
- provide avenues for employees to raise those concerns and receive feedback on any action taken
- ensure that employees receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- reassure employees that they will be protected from possible reprisals or victimisation, if they have a reasonable belief that they have made any disclosures in good faith

2.2 Where employees are aggrieved at any matter relating to their own employment, then other procedures apply e.g. grievance procedure. Employees must not use this Policy to deal with day to day problems, such as, mistakes, errors, or general differences of view that arise in the workplace. Operational matters should be raised with management first.

2.3 [Examples of the types of concerns](#) this Policy is intended to cover [are as follows](#):

- conduct of a criminal nature or a breach of the law;
- bullying, harassment or victimisation of a third party;
- disclosures related to miscarriages of justice;
- health and safety risks, including risks to the public as well as other employees;
- damage to the environment;
- the unauthorised use of public funds;
- possible fraud and corruption; [including offences falling under the Bribery Act 2010](#);
- sexual or physical abuse of customers;
- breach of Council procedures; or
- other unethical conduct or malpractice.

2.4 Any serious concerns that employees have about any aspect of service provision or the conduct of officers, councillors, co-optees, partners or others acting on behalf of the Council, can be reported under this Policy. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- relates for example to a breach of the Council's Standing Orders, Financial Regulations, policies, practices and procedures; or
- falls below established standards of practice; or
- amounts to improper conduct.

3.0 Safeguards

3.1 Harassment or Victimisation

3.1.1 By publicising this Policy, the Council is demonstrating a strong commitment to good practice and high standards in protecting its employees from harassment and victimisation.

3.1.2 The Council recognises that the decision to report a concern can be a difficult one to make. Where you are raising a concern in good faith, you will have nothing to fear, because you will be doing your duty to the Council and those for whom you are providing a service; as well as acting in the wider public interest.

3.1.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action, (which may include removal from the workplace of the offending party where appropriate) to protect you when you raise a concern in good faith.

3.1.4 [If you believe you have suffered or are under threat of suffering victimisation or harassment as a result of raising concerns, you may also report this concern as set out under section 4 below.](#)

3.2 Confidentiality

3.2.1 The Council will use its best endeavours to treat in confidence all concerns raised and every effort will be made by the Council not to reveal your identity without your agreement. However, it must be appreciated that the Council cannot guarantee that any investigation process will not reveal the source of the information.

3.3 Anonymous Allegations

3.3.1 While you are encouraged to put your name to your allegation whenever possible, it is recognised that in some instances, employees may have genuine concerns about their safety, security of well-being which may preclude them from revealing their identity. Under such circumstances, employees may make anonymous complaints or allegations.

3.3.2 Concerns expressed anonymously are much less powerful, but will be considered, on their merits, at the discretion of the Council.

3.3.3 In exercising this discretion, the factors to be taken into account will include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources and available evidence.

3.4 Untrue Allegations

3.4.1 If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you. If, however, you make a false or malicious allegation, for an ulterior motive, disciplinary action may be taken against you. It is therefore important that you ensure your allegation is made in good faith.

4.0 How to raise a concern

4.1 Depending on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice, you are encouraged in the first instance to raise concerns with your immediate manager or your supervisor. **Generally concerns should be raised with individuals in the order they are listed in Annex A except where they are involved in the issue, or are the cause of the concerns. If your concerns are about Audit, or a Chief Officer, you must contact the Chief Executive in the first instance. For all concerns, you may also contact the Chairman of the Audit Committee, as a last resort, if you believe that your concerns have not been appropriately dealt with.**

Concerns may be raised verbally or in writing. A dedicated **Freephone** telephone number has been set up to allow you to speak in confidence to the Audit & Fraud Team **[0800-4963245]**. If you wish to submit your concern in writing, send this to the Audit, Risk & Anti-Fraud Manager, Council Offices, Argyle Road, Sevenoaks, Kent TN13 1HG and mark your envelope 'private and confidential'. Alternatively you can email whistleblowing@sevenoaks.gov.uk.

4.2 You are invited to use the following format:

- the background and history of the concern (giving relevant dates);
- the reason why you are particularly concerned about the situation.

4.4 The earlier you express the concern, the easier it is to take action, as delays may make it more difficult to obtain the relevant evidence.

- 4.5 Although you are not expected to prove beyond doubt the truth of an allegation, you should ensure that there are reasonable grounds for your concern.
- 4.6 Advice and guidance on how matters of concern may be pursued can be obtained from the Audit, Risk & Anti-Fraud Manager, Chief Executive, relevant Chief Officer or Chief Officer, Legal Services.
- 4.7 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 4.8 Where concerns are raised in person, you may invite your trade union representative, or a friend to be present during any meetings or interviews in connection with the concerns you have raised.
- 4.9 An officer will be appointed to investigate your concerns.

5.0 How the Councils will respond

- 5.1 The Council will take every whistleblowing concern impacting on fraud and corruption seriously and will conduct an appropriate investigation.
- 5.2 Where appropriate, the matters raised may:
 - be investigated by senior management and/or the Audit & Fraud Team, or through the disciplinary process;
 - be referred to the police;
 - be referred to the external auditor; or
 - form the subject of an independent inquiry.
- 5.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council has in mind, is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example discrimination issues) will normally be referred for consideration under those procedures.
- 5.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.
- 5.5 Within ten working days of a concern being raised, the investigating officer will write to you if you provide your contact details:
 - acknowledging that the concern has been received
 - indicating how we propose to deal with the matter
 - giving an estimate of how long it will take to provide a final response
 - telling you whether any initial enquiries have been made
 - supply you with information on staff support mechanisms; and
 - telling you whether further investigations will take place and if not, why not.

- 5.6 The amount of contact between the investigating officer and you, will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the investigating officer will seek further information from you.
- 5.7 Where any meeting is arranged, off-site if you so wish, a union representative, or professional association representative, or a friend can accompany you.
- 5.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will arrange for you to receive advice and support.
- 5.9 The Council accepts that you need to be assured that the matter has been properly addressed. Subject to legal constraints, you will be informed of the outcomes of any investigation.

6.0 The Responsible Officer

6.1 The Chief Executive has overall responsibility for the maintenance and operation of this Policy. A record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) is maintained and reported (in such a way as to preserve confidentiality), to the Audit Committee.

7.0 How the matter can be taken further

7.1 This Policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, please refer to the external contacts listed in Annex 2.

7.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information without obtaining further advice from any of the Council contacts referred to in Annex 1.

8.0 Policy review

This Policy will be subject to annual review by the appropriate committee. The review will take into consideration the views of users of the Policy and any relevant professional or regulatory changes.

9. Training, Dissemination and Monitoring

9.1 As part of the Councils' Anti-Fraud and Corruption Policy, appropriate training will be offered to officers on key aspects of the policy and how it should be implemented. The policy will be available on the Council's website for easy access by staff.

9.2 The Monitoring Officer's Annual Report to Members will incorporate a summary of whistleblowing events and their outcomes. The external

auditor will also be advised at least annually, of all proven whistle blowing events and their outcomes.

10. Any doubts?

- 10.1 If there are any doubts about the contents of this Policy or where there are issues that are not adequately covered, then the matter should be discussed with the Audit, Risk & Anti-Fraud Manager.

DETAILS OF WHOM YOU MAY REPORT YOUR WHISTLEBLOWING CONCERNS TO ARE AS FOLLOWS:

Generally, concerns should first be raised with your line manager or supervisor. Then concerns should be raised with individuals in the order they are listed below except where they are involved in the issue, or are the cause of the concerns. If your concerns are about Audit, or a Chief Officer, you must contact the Chief Executive in the first instance. For all concerns, you may also contact the Chairman of the Audit Committee, as a last resort, if you believe that your concerns have not been appropriately dealt with.

Sevenoaks District Council:

- (a) Your Head of Service, or
- (b) Your Chief Officer, or
- (c) Dr Pav Ramewal (Chief Executive)or;
- (d) Audit, Risk & Anti-Fraud Team, or
- (e) Chair of the Audit Committee
- (f) (Also see Annex 2 for external contacts below)

**DETAILS OF EXTERNAL CONTACTS TO WHOM YOU MAY REPORT
YOUR CONCERNS**

If you are not satisfied with the response you have received from the Council with respect to your concerns and you want to take the matter outside of the Council, the following are possible contact points:

- Public Concern at Work on 0207 404 6609 (a charity which gives advice about raising concerns)
- External Auditor
- Your local Citizens Advice Bureau
- Relevant professional bodies or regulatory organisations
- A relevant voluntary organisation
- The police
- Your trade union representative
- Local Government Ombudsman

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MEMBERS' ALLOWANCE SCHEME - MONITORING

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Consideration

Key Decision: No

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Recommendation to Audit Committee: that Members note the contents of this report.

Introduction and Background

- 1 Within the terms of reference of the Audit Committee, the committee is required *'to monitor the implementation of the Members' Allowance Scheme'*.
- 2 The Governance Committee is required *'to receive the recommendation of the Joint Independent Remuneration Panel and make recommendations for changing the Members' Allowance Scheme to the Council and, if required, to the Joint Independent Remuneration Panel'*.

Members' Allowance Scheme – 2013/14

- 3 Members' allowances for 2013/14 were made public during the summer and can be viewed at:
http://www.sevenoaks.gov.uk/_data/assets/pdf_file/0011/140051/Members-Allowance-2013-14.pdf#Members%20Allowance%202013-14.pdf
- 4 Basic allowances were paid to all 54 Members but three asked not to receive the full amount.
- 5 Travel expenses were claimed by 28 Members (52%).
- 6 The IT allowance was claimed by 32 Members (59%).

Members' Allowance Scheme – 2014/15

- 7 At the Governance Committee on 5 November 2013 and 29 January 2014, the Members' Allowance Scheme was discussed and recommendations were made to Council. The scheme was agreed by Council on 18 February 2014.
- 8 The relevant appendix from the 'Constitution of Sevenoaks District Council' containing the Members' Allowance Scheme (2014/15) is attached at Appendix A.

Agenda Item 10

- 9 All Members' expenses claims are checked by Democratic Services and if accepted, signed off by the Monitoring Officer. No issues have been reported.
- 10 It is suggested that in future years, this report is presented to the Audit Committee in the summer to include details of the previous year's scheme.

Key Implications

Financial

The cost of the Members' Allowance Scheme is contained within the approved budget.

Legal Implications and Risk Assessment Statement.

There are no legal implications for this report.

Equality Impacts

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Appendices Appendix A – Constitution of Sevenoaks District Council – Members' Allowances Scheme (2014/15)

Background Papers: Members' allowance payments for the year ending 31 March 2014:
http://www.sevenoaks.gov.uk/_data/assets/pdf_file/0011/140051/Members-Allowance-2013-14.pdf#Members%20Allowance%202013-14.pdf

Adrian Rowbotham
Chief Finance Officer

APPENDIX G: Members' Allowances Scheme (2014/15)

1. INTRODUCTION

The Members' Allowances Scheme is made under the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (the 2003 Regulations) and other Regulations which may come into force from time to time.

In making this Scheme, the Council must have regard to the recommendations made by the Joint Independent Remuneration Panel.

This Scheme has effect for the financial year appertaining to the year it is introduced and continues until amended or revised.

This Scheme may be amended at any time having regard to the recommendations of the Joint Independent Remuneration Panel.

For the avoidance of doubt, where the only change to this Scheme is effected by annual updating of allowances, this Scheme shall be deemed not to have been amended.

2. STATUTORY MEMBERS' ALLOWANCES SCHEME

2.1 Basic Allowance

Every District Council Member shall be paid an annual basic allowance as set out in Schedule 1 below. It will be paid in instalments of one-twelfth on the 15th of each month, with minor adjustments where necessary to ensure that the total annual sum is correct. The allowance is subject to annual updating - see paragraph 2.8 below.

The basic allowance covers time incurred by a District Council Member in carrying out his/her ordinary duties for the Council. However, it excludes travel and subsistence allowances for approved duties which are referred to separately below. Furthermore, the Council makes available to Members a certain amount of equipment over and above the basic allowance. Again, this is referred to separately below.

2.2 Special Responsibility Allowances

An annual special responsibility allowance (SRA) will be paid to certain Members. SRAs will be paid in monthly instalments. They are not payable when a Member temporarily steps into another's role (say, when the Vice-Chairman chairs a meeting). The special responsibility allowances are set out in Schedule 1 below.

2.3 Child and Dependant Carer's Allowance

Members may claim an allowance in respect of expenses necessarily incurred in relation to the provision of care for their children and other dependants while carrying out approved duties. Approved duties are listed in a separate section below. Claims should be made monthly in arrears, by attaching the receipt(s) to the submitted Member's claim form and entering the amount claimed on the form. Claims will not be paid without documented receipts.

The allowance to be paid per dependent child per hour during normal daytime working hours (8am to 6pm on Mondays to Fridays) and a single maximum payment per hour as set in Schedule 1 for child care arranged outside normal working hours, accompanied by an official receipt.

The dependent adults carer's allowance will be paid up to the figure in Schedule 1 per hour for the employment of a replacement carer for whom the Member is normally a full time carer. This will also apply where the Member has to arrange care for a disabled dependent child. In either case, the definition of dependant being as set out in the Employment Rights Act 1996 (s.57A), such claims to be supported by a doctor's letter confirming that the dependant is in need of constant or specialist care/supervision; (NB Carer's allowance and the allowance payable in respect of a disabled dependent child, is not payable in respect of the same child for the same period.).

2.4 Pensionable Allowances

Statutory regulations allow local authorities to make certain allowances pensionable, but only if so recommended by their independent remuneration panel. At Sevenoaks it has been agreed that the option to allow Members to participate in the Local Government Pension Scheme should not be introduced at this time (February 2005).

2.5 Renunciation of Allowances

A Member may choose to forego all or part of his/her entitlement to basic or special responsibility allowances under this scheme. If this is the case, he/she should give notice of this in writing to the Chief Executive or Monitoring Officer, stating what element of his/her allowance entitlement he/she does not wish to claim. The notice should also state whether this is for the current municipal year or the remainder of the Member's term of office – if the notice does not specify a time period then it will be assumed to mean the remainder of the term of office.

A Member not wishing to claim the expenses described in section 3 below need not give notice in writing – he/she simply does not submit any expenses claim forms.

2.6 Publicising Allowances and Expenses Paid

As soon as reasonably practicable after determining a Scheme of Allowances, a copy of the Scheme will be made available for inspection and publication will take place in accordance with the 2003 Regulations.

As soon as practicable after 1st April each year arrangements will be made for the publication of the total paid to each Member in each category of allowance specified in this Scheme, in the preceding year.

2.7 Suspension of Allowances

Any Member/Co-optee who is suspended or partially suspended from his/her responsibilities or duties as a Member of the Council in accordance with legislation or regulations that may come into force from time to time may have his/her allowances withdrawn for the period of any suspension.

Constitution of Sevenoaks District Council

Where any payment allowance under this Scheme has already been made in respect of any period during which a Member/Co-optee is suspended or partially suspended or ceases to be a Member or Co-optee of the Council or is in any other way not entitled to receive the allowance in respect of that period the Council may require that such allowance or part of as relates to any such period be repaid to the Council.

2.8 Annual Updating

Members' allowances except for travelling expenses are updated annually in line with the National Joint Council for Local Government Services pay award.

3. **PAYMENT OF EXPENSES**

3.1 Approved Duties

Members/Co-optee members may claim reimbursement of travel, subsistence, Child and Dependent Carer's Allowance and conference expenses incurred whilst undertaking an approved duty.

Attendance at any of the following is an approved duty:

- (a) The attendance at a meeting of the District Council or of any committee or sub-committee or Working Group of the District Council, or of any body to which the Council make appointments or nominations, or any committee or sub-committee of such a body (If the outside organisation will pay travel and/or subsistence costs, then the Member should claim against that organisation and cannot claim from the District Council.);
- (b) The attendance at any meeting, the holding of which is authorised by the District Council, or a committee or sub-committee of the District Council, or a joint committee of the District Council and one or more local authority within the meaning of section 279(1) of the 1972 Act, or a sub-committee of such a joint committee provided that:-
 - (i) where the authority is divided into two or more political groups, it is a meeting to which members of at least two groups have been invited, or
 - (ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) the attendance at a meeting of any association of authorities of which the District Council is a member
- (d) the attendance at a meeting of the executive (Cabinet) or a meeting of any of its committees;
- (e) the attendance at pre-meeting briefings by Chairmen and Vice-Chairmen of Committees;
- (f) the performance of any duty in pursuance of any standing order made under section 135 of the 1972 Act requiring a Member or Members to be present while tender documents are being opened;

Constitution of Sevenoaks District Council

- (g) the performance of any duty in connection with the discharge of any function of the District Council by or under any enactment and empowering or requiring the District Council to inspect or authorise the inspection of premises (including site visits for planning matters); and
- (h) the attendance of any pre-arranged meetings with Officers relating to issues within the Members’ responsibilities. This would encompass Portfolio Holder briefings etc. In the event of any question of interpretation, the Chief Executive, or, in his absence, the Monitoring Officer, will decide.

Further Clarification of Approved Duties:

In-house training and development seminars including Members’ Induction, Staff Induction and service-specific seminars

Conferences or seminars arranged by a Chief Officer.

Expenses will not be paid for attendance at national and regional bodies if the Member was not appointed to the organisation or event by the District Council.

Travel and subsistence allowances for co-opted and lay/expert members of committees and panels will be paid, at the same level as for elected Members.

Schedule 2 sets out tables of examples of what are approved duties. In specific cases not covered by this schedule Members should contact the Democratic Services Team. A decision will be made by the Chief Executive or the Monitoring Officer and the table updated accordingly

3.2 Travelling, Subsistence and other Expenses

Travelling Allowances

Travelling allowances are payable in accordance with the HMRC maximum tax free allowance from time to time:

Per mile up to and including 10,000 miles	45 pence
Over 10,000 miles	25 pence

Bicycles:

20 pence per mile tax free as per Inland Revenue’s maximum tax free allowance for claims.

Motorcycles:

24 pence per mile tax free as per Inland Revenue’s tax free allowance for claims.

Public Transport:

Authorised journeys taken using public transport should be reimbursed at the cost of standard travel.

Constitution of Sevenoaks District Council

Travelling allowances may be claimed by Members for attendance at meetings of the bodies or for the purposes listed in 3.1 above.

Car sharing is encouraged by the Council for duties involving more than one Member. Any claim should be made by the vehicle driver only.

Travel by taxi should only be used in exceptional circumstances and, if it is necessary, should involve more than one Member if possible.

3.3 Subsistence Expenses and Council Refreshments

- A Member may claim reimbursement of subsistence costs incurred personally while on approved duties. The latter are described at a separate section below. In order to qualify for reimbursement:
- the Member must be away from his/her usual residence for a minimum of four hours (this time period applying only to the time spent in travel to and from, and attendance at, the approved duty outside the District)
- there must be no meal provided at the approved duty, either by the Council or any other organiser for the event
- claims will only be reimbursed for subsistence purchased in the close vicinity of a local event, or in the vicinity of, or whilst travelling to or from, an event more distant.
- the Member should attach a receipt to his/her expenses claim form to show that a meal was purchased (and the amount paid will be the amount incurred and shown on the receipt up to the maximum limit shown below).

The rates payable are set annually when the annual pay award is agreed. They are currently as set out in the table below.

Subsistence type	Details	Payment amount
Lunch allowance	Covers the period from 12 noon to 2 p.m.	£9.86
Evening meal allowance	For a period of absence ending after 7 p.m.	£12.21
Absence overnight	To cover hotel and associated expenses – but note that, in these cases, the Council will book and pay for hotel accommodation directly (see ‘conferences’ at separate section below)	£79.82 (increased to a maximum of £91.04 in certain circumstances, e.g. for meetings in London and for LGA meetings)

If a meal is taken on a train, this is taken to relate to the subsistence allowance which it most closely equates to (i.e. lunch or evening). The above conditions still apply.

The Council may provide refreshments for 'approved duty' meetings which last over the lunchtime period or which start between 4.30 p.m. and 6 p.m.

The District Council requires that Members ensure that any overnight stay bookings for approved duties and conferences are made by Council Officers. The Council will then pay for the cost of the accommodation and breakfast. Lunch and evening meal costs up to the subsistence amounts shown above and travel will be claimable.

3.6 Child and dependant carer's allowance

Members may claim an allowance (set out in Schedule 1 below) for the use of childminders, babysitters or other sitters for dependants while carrying out approved duties. See section 2.3 above for details. Claims must be supported by receipts for payments made.

3.7 ICT and other equipment

Members are securely able to access all Council information and communications from any internet access point, including a home computer, through the Members' Electronic Portal. In order to recognise that part of the cost of provision of such equipment is for the performance of Members' duties, Members may make claim for the following financial support:

- (a) an allowance of up to £102 per annum is available to councillors paid on a yearly basis and separately from the Basic and other allowances. This allowance is available to Members who use their own IT resources to undertake their council duties;
- (b) In exceptional circumstances where a Member is unable to afford the purchase cost of a suitable computer the Council would consider assisting the Member by advancing a lump sum which would then be recovered via repayments from this allowance;
- (c) where a Member has been provided with a Council funded computer, no allowance will be paid; and
- (d) all such allowances are subject to tax along with Basic and Special Responsibility Allowances in the normal way.

3.8 Claims procedure

Claims for travel, subsistence and dependant carer's allowances must be made each month using the Members' claim form. Members can either submit a claim in writing or on-line. If any Member wishes to submit claims on-line, he/she is required to sign a 'request to submit forms via e-mail' and return it to the Democratic Services and Elections Manager so that a members' claim form can be sent electronically for completion. All claims must be received by the Democratic Services Team by the twentieth day of the month. This is essential as they must be verified and approved by the twenty third day of the month in time for the monthly payroll run on the fifteenth of the

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following month. Any claims received after these dates will be paid on the subsequent pay run.

Members should ensure that they submit claims each month as claims stretching back over several months may be delayed owing to the increased difficulty of verifying them. Claims over 3 months old will not be paid. All claims to be finalised within one month of the start of the financial year.

The claim form must include receipts for all expenses claimed other than car mileage, and must be signed by the Member to declare that he/she is entitled to all amounts claimed and has not already been reimbursed for these amounts by the Council or any other organisation. For those claims submitted electronically, all relevant receipts must also be submitted to support the claim.

If a Member wishes to reclaim tax paid on subsistence allowances, he/she must provide relevant receipts to HM Inspector of Taxes. If a Member applies for benefit, he/she must declare any allowances and expenses received from the Council on his/her application form.

Should it ever arise that the Council incurs expenditure on behalf of a Member's spouse or partner, then a debtor's account will be sent to the Member to recover all additional costs and a copy of the accounts will be placed with the file of payments to Members.

4. GUIDANCE FOR OFFICERS IN RESPECT OF PAYMENT TO MEMBERS

All Officers must adhere to the above scheme when verifying and making payments to Members. The Democratic Services and Elections Manager must verify all Member claims prior to passing them for payment taking particular note of Schedule 2. The Finance Team will maintain a file of payments to Members. For all payments under the Members' Allowances Scheme, this must show the name of the recipient, together with the amount and nature of each payment. It is open for inspection free of charge by electors in the area, who may copy any part of it.

The scheme also applies to Officers incurring expenditure on a Member's behalf – if an Officer spends more than the prescribed limits shown above for a Member's travel and/or subsistence then *the Officer cannot claim the excess, but must bear the cost personally*. If an Officer wishes to make a claim for Member travel and/or subsistence, he/she must complete an employee travel and subsistence expenses claim form in the usual way, but stating clearly which Member(s) were paid for, and the details of the payment (cost, time of day incurred) which will allow it to be checked against the prescribed subsistence scheme. A copy must be sent immediately to the Finance Team for recording in the file of payments to Members.

If any other issue of payment to a Member arises, other than one covered by the above Members' allowance scheme or a normal service issue, then prior written approval should be obtained from the Chief Executive or Monitoring Officer.

When a department arranges any seminar, conference, course or visit which will incur costs on behalf of a Member, the lead officer must liaise with the Chief Finance Officer to ensure that only permitted expenditure is incurred. The lead Officer of the event should keep a list of Members attending an approved event, and forward it immediately afterwards to the Democratic Services and Elections Manager and the Finance Team to

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ensure that any subsequent Member claims for travelling and/or subsistence can be verified.

Tours outside the Sevenoaks District may be arranged by the relevant department. They will still require formal committee/cabinet approval and adequate budgetary provision. Any overnight stop, unless paid for directly by the Council, and any lunch or evening meals purchased for the Members involved must adhere to the subsistence rates shown above. If air tickets are reserved, the cheapest rate of public air travel must always be used.

Any proposed payment or commitment of civic funds must be referred to the Chief Executive or Monitoring Officer for prior approval. These Officers must ensure all payments so made remain within budgeted levels of expenditure, and that any payments to or on behalf of Members are recorded in the file of payments to Members.

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Schedule 1

Members' Allowances Scheme (2014/15)

Description of Allowance	2014/15 Allowance per Member (£)
Basic Allowance (all Members)	5,140
 <u>Special Responsibility Allowances:</u>	
Opposition Group Leaders:	
Liberal Democrat (2 Members)	1,277
Labour (4 Members)	1,277
 Cabinet Chairman (Council Leader)	 15,422
Cabinet members	6,426
Deputy Cabinet Members	643
 <u>Chairmen</u>	
Advisory Committees (x5)	2,057
Audit	2,057
Development Control	3,085
Governance	2,057
Health Liaison Board	2,057
Licensing	2,057
Scrutiny	2,057
Sevenoaks Joint Transportation Board	2,057
Standards	1,029
 <u>Vice-Chairmen</u>	
Advisory Committees (x5)	514
Audit	514
Development Control	771
Governance	514
Health Liaison Board	514
Licensing	514
Sevenoaks Joint Transportation Board	514
Standards	257
Committee Members:	
Development Control members	257
Licensing Committee members	129

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Carer's Allowance (All Members if appropriate)	Up to £6.19 per hour per Member
Dependent Carers Allowance	£16.00 per hour per Member
Travel and Subsistence Expenses	Reimbursed in line with the scheme in force for staff of the Council the National Joint Council for Local Government Services pay award
I.T Allowance	102
Ancillary Expenses (broadband)	Nil
Special Responsibility Allowance	Only one allowed
Pensions	Nil

Schedule 2

Members' Allowance Scheme – Approved Duties Specific Examples

- Attendance at a meeting of Council
- Attendance at a meeting of Cabinet (all Members)
- Attendance at a meeting of any Committee/Sub-Committee/Working Group/Board/Hearing of which you are a Member (attendance at Committee meetings as an observer is not considered an approved duty, the only exception to this being meetings of the Cabinet).
- Attendance at a meeting of any outside organisation that you are appointed to by the Executive or the Council
- Attendance at any Development Control Meeting and Development Control Site Meeting as agreed by the Chairman or Vice-Chairman of Development Control, if you are a member of Development Control or a local member for the ward concerned
- Attendance of any other site visit approved by Council, the Executive or any Committee/Sub-Committee/Working Group/Board/Hearing, if you are a member of the relevant body
- Attendance by a member of the Executive at any Committee/Sub-Committee/Working Group/Board/Hearing that is discussing matters within that members' Portfolio
- Attendance at any meeting organised by Officers of the Council to which at least two political groups have been invited
- Attendance at any training session organised by Officers of the Council to which the Member has been invited
- Attendance at any service-specific seminar organised by Officers of the Council to which the Member has been invited
- Attendance at any Conference or Seminar where prior agreement has been made by a Chief Officer of the Council
- Attendance at pre-meeting briefings by Chairman/Vice-Chairman of Committees/Sub-Committees/Working Groups/Boards/Hearings
- Attendance of members of the Executive at Briefing meetings
- Attendance of a member of the Executive that is required to attend a tender opening
- Attendance at any meeting pre-arranged by Officers of the Council relating to issues within the Member's responsibilities

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EXTERNAL REVIEW OF INTERNAL AUDIT

Audit Committee – 13 January 2015

Report of Chief Finance Officer

Status: For Information

Key Decision: No

This report supports the Key Aim of effective management of Council resources.

Portfolio Holder Cllr. Ramsay

Contact Officer(s) Adrian Rowbotham Ext. 7153

Recommendation to Audit Committee: That the report be noted.

Introduction and Background

- 1 New mandatory Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013. The standards provide a comprehensive and consistent framework for internal audit across the UK public sector. The standards include a requirement for an external quality assessment.
- 2 The purpose of the review is not only to ensure that the Internal Audit Team are compliant with the new standards but also to provide Senior Management and the Audit Committee with assurance that the Internal Audit Service receives appropriate and necessary corporate support to enable it to be effective at strengthening internal control, risk management and governance processes within the Council and makes appropriate recommendations through its audit reviews to improve both the internal control framework and the achievement of value for money.
- 3 The Internal Audit Team is a shared service between Dartford Borough Council and Sevenoaks District Council. The team is ISO accredited and works in compliance with ISO quality standards, as well as relevant professional standards. The shared services agreement between the parties has been in operation since April 2010. The establishment consists of an Audit Manager, a Principal Auditor, 2.8 FTE Senior Auditors, an Auditor and an Admin Assistant at 0.5 FTE.
- 4 The internal audit manager carried out a self-assessment of the service in line with new PSIAS which identified areas for further development. This was reported to the Audit Committee on 10 June 2014.
- 5 This review is to consider the service as a whole but also consider where practices and approaches differ between the two authorities, including practical difficulties experienced by the shared service function, and how these have been addressed.

Agenda Item 11

- 6 Quotations for the external review were received from three organisations and PwC were awarded the work.

Scope of the Review

- 7 To evaluate the compliance of Internal Audit against the PSIAS criteria.
- 8 To evaluate the effectiveness of Internal Audit by focussing on the following areas:

Organisation

- Review the effectiveness of the reporting lines and roles and responsibilities of the Internal Audit Team, including where the team reports and how it is line managed.

Independence

- Review the position of Internal Audit within the organisation to assess whether this provides sufficient independence and objectivity and allows the internal audit activity to fulfil its responsibilities.
- Assess whether the internal audit activity is free from interference in determining the scope of internal auditing, performing work and communicating results.

Audit Team

- Assess the knowledge, skills and experience of the internal audit team.
- Assess the level of direction and support provided to the team by the Audit Manager.
- Assess the level of support provided by senior management to the audit manager
- Assess the work of the individual auditors.

Quality Assurance

- Assess whether the audit plan is based on a sound documented process which effectively considers risk.
- Determine the level of quality assurance that is undertaken with regards to the internal audit activity and assess its effectiveness in monitoring progress, assessing quality and in supervising staff.
- Provide comment on the standard of the audit reports issued to management and whether they are supported by sufficient, reliable, relevant and useful information.
- Provide comment on the standard and relevance of the reports from Internal Audit that are presented to the Audit Board/Audit Committee.

Managing the work

- “The internal audit activity adds value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.”
- Assess whether the internal audit activity add value to the organisation by providing objective and relevant assurance.
- Review recommendations made in previous audits and assess whether they are practical, relevant and add value and are prioritised according to risk.
- Review the performance measures in place for the team and comment on their effectiveness.

Other

- Review the effectiveness of the internal audit team in identifying and evaluating key controls and suggesting improvements to both controls and the achievement of value for money.
- Review the effectiveness of the involvement of the audit team in the risk management processes.

Progress of the Review

- 9 The review commenced in November and is progressing well.
- 10 A verbal update on the review will be provided at the meeting and a final report will be presented to this committee on 17 March 2015.

Key Implications

Financial

The cost of the review is £13,500 and will be split equally between the two partner authorities.

Legal Implications and Risk Assessment Statement.

Compliance with the new standards is a regulatory requirement designed to make the Internal Audit service more effective. Compliance with the new standards should ensure that the service is effective in carrying out its statutory duties, aimed at strengthening internal control, risk management and governance processes within the Council, including the minimisation of fraud risks.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Agenda Item 11

Value for Money and Asset Maintenance

A robust Internal Audit function contributes to the effective management of the Council and would help mitigate against poor value for money in service provision.

Appendices

None

Background Papers:

Report on the Public Sector Internal Audit Standards
– Audit Committee 10 June 2014

Adrian Rowbotham
Chief Finance Officer

Audit Committee 2014/15 –Work Plan

	13 January 2015	17 March 2015	Summer 2015	Autumn 2015
Internal Audit (Irregularities to be reported confidentially as & when necessary)	Internal Audit 2014/15 – 2 nd Progress Report Report on Internal Audit recommendations outstanding	Internal Audit 2013/14 – 3 rd Progress Report Internal Audit Plan Report on Internal Audit recommendations outstanding	Internal Audit 2014/15 – Annual Report New Audit Standards – Full Report Report on Internal Audit recommendations outstanding	Internal Audit 201/16 – 1 st Progress Report Report on Internal Audit recommendations outstanding
Risk Management		Risk Management Strategy	Risk Management Plan including Strategic Risk Register	Risk Management Training
Accounts and External Audit	External Audit – Annual Audit Letter External Audit - Housing Benefit Subsidy 2013/14		Statement of Accounts 2013/14 – set up Member Working Group External Audit - Annual Audit Plan External Audit – Audit Committee Update	Statement of Accounts 2014/15

	13 January 2015	17 March 2015	Summer 2015	Autumn 2015
Other	Whistleblowing policy Members' allowances scheme - monitoring	Review of the Effectiveness of the Audit Committee / Annual Report to Council CIL Update report	Annual Fraud report Annual Governance Statement Audit Committee Terms of Reference	