

AUDIT COMMITTEE

MONDAY 3 FEBRUARY 2014
7.00 PM

Bourges/Viersen Room - Town Hall

THE CHAIRMAN WILL ASSUME THAT MEMBERS HAVE READ THEIR PAPERS PRIOR TO THE MEETING TO AVOID UNNECESSARY INTRODUCTIONS TO REPORTS. IF ANY QUESTIONS ARE APPARENT FROM THE REPORTS THEY SHOULD BE PASSED TO THE REPORT AUTHOR PRIOR TO THE MEETING

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
<p>At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests or is a "pending notification " that has been disclosed to the Head of Legal Services.</p> <p>Members must also declare if they are subject to their party group whip in relation to any items under consideration.</p>	
3. Minutes of the Meeting Held on 4 November 2013	3 - 8
4. External Audit: Annual Audit Letter, Report to Management and Annual Certification	9 - 46
5. Whistleblowing Policy	47 - 60
6. Bribery Policy	61 - 72
7. Feedback Report	73 - 76
8. Work Programme	77 - 86



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Karen S Dunleavy on 01733 452233 as soon as possible.

In the event of the fire alarm sounding all persons should vacate the building by way of the nearest escape route and proceed directly to the assembly point in front of the Cathedral. The duty Beadle will assume overall control during any evacuation, however in the unlikely event the Beadle is unavailable, this responsibility will be assumed by the Committee Chair.

Committee Members:

Councillors: D Lamb (Chairman), C Harper (Vice Chairman), N Arculus, M Lee, J Knowles,
M Fletcher, S Lane and N Sandford

Substitutes: Councillors: P Kreling, E Murphy and A Miners

Further information about this meeting can be obtained from Karen S Dunleavy on telephone 01733 452233 or by email – karen.dunleavy@peterborough.gov.uk

Public Document Pack



MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT THE TOWN HALL, PETERBOROUGH ON 4 NOVEMBER 2013

Present: Councillors Lamb (Chairman), Harper (Vice Chairman), Arculus, Lane, Fletcher, Knowles, Lee and Sandford.

Officers in

Attendance: Steve Crabtree, Chief Internal Auditor
Steven Pilsworth, Head of Strategic Finance
Kim Sawyer, Director of Governance
Ben Stevenson, Compliance Manager
Louise Cooke, Group Auditor
Julie Taylor, Group Auditor
Karen S Dunleavy, Governance Officer

1. Apologies for Absence

There were no apologies received for absence.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Meeting Held on 23 September 2013

The minutes of the meeting held on 23 September 2013, were approved as an accurate and true record.

4. Internal Audit: Mid Year Progress Report

The Chief Internal Auditor introduced a report on the Internal Audit performance and progress with regards to the 2013/2014 Audit Plan (Audit Committee approval: 27 March 2013). The purpose of the report was to inform the Committee on Internal Audit activities and performance progress against the Annual Audit 2013/ 2014 as at 30 September 2013.

The key points within the report included:

- The team activities had focussed on grants claim verification which had restricted works in other areas; and
- There are a number of departmental reports that were currently in draft format which would be presented to Audit Committee at a later date.

The Chief Internal Auditor responded to comments and questions raised by Members. In summary responses included:

- The Adult Social Care audit in relation to the compliance eligibility criteria database, would be progressed by the end of the year;

- Generally the Audit Team works would concentrate against higher risk services areas;
- Recruitment had taken place for one of the vacant posts in the Audit Team;
- The Audit Committee had been sent an email outlining the outcome of the audit regarding the Enterprise Bus Contract. It had not been possible to include the information within the half year report as it was concluded after the cut-off date. Enterprise established that the cost of the Bus Contract was greater than the initial transfer value. Enterprise had highlighted the issue to the Council, however, they were unsuccessful in obtaining further funding. A recent tender exercise undertaken by Atkins had verified that the recent increase in priced bids which had been received for the renewal of the Bus Contract were comparable. Evidence had shown that Enterprise had conducted the necessary amount of due diligence; and
- The whistleblowing case highlighted within the report was subject to review in line with corporate processes.

The Committee

1. Received the Internal Audit Update Report to 30 September 2013 and noted in particular:
 - a. The progress made against the plan and the overall performance of the section.

5. Treasury Management

The Head of Strategic Finance introduced a report on Treasury Management in the Public Services. The Code of Practice 2011 recommended that Members received reports on its treasury management policies, practices and activities, including, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.

The annual strategy was approved by Council as part of the Medium Term Financial Strategy (MTFS) and the final performance against the strategy was reported to Audit Committee in June 2013 alongside the Statement of Accounts. The report formed the mid-year review.

The Head of Strategic Finance responded to comments and questions raised by Members. In summary responses included:

- The Council currently had not undertaken any variable interest rate borrowing; and
- The Sector Treasury had been part of the Captia Group for a number of years.

7.17pm at this point Councillor Arculus joined the meeting

- The Council currently had no investments for longer than 12 months. There was however, a treasury investment of £2m under the Local Authority Mortgage (LAM) Scheme;
- The Council would not be advantageous in property or company investments due to the small amount of lending percentage return compared to the amount that the Council would need to pay on the loan;
- An investigation would be conducted if the Council's Operational Boundary borrowing was likely to exceed a temporary arrangement, the findings of the investigation would also be reported to Audit Committee due to its responsibility to monitor treasury management;
- The amount the Council was required to borrow for its Capital Programme would appear lower in the earlier part of the year than the latter. As capital scheme projects

became more established later in the year, an acceleration of borrowing would particularly occur;

- When the Council pay for capital works it uses framework agreements, which had been a good example of the Council resources. Capital works would be paid for when the appropriate level of work had been completed by the contractors;
- the prudential indicators were set at a rate that was determined by the amount of borrowing for the current and future years programmes in order to gain the best borrowing rate; discussions would also take place to review whether the operational boundary was set at the appropriate rate;
- Members commented that the annualised operational boundary was set every two years and that Audit Committee would receive a report before the amount of boundary borrowing was exceeded;
- The Council's anticipated rate of planned expenditure that was set at 85%, was an estimated figure. The Council's income account would be utilised before it was necessary to borrow funds;
- The Capital Financing Requirement (CFR) was driven by the Council's budget and capital spend in the current financial year;
- The Council's cash income flow was generally higher in the first part of a financial year;
- The Council was in discussions with Lloyds and Treasury Sector regarding the Local Authority Mortgage (LAM) and Help to Buy Schemes (HBS) in regards to offering one scheme to help a first time buyer purchase a property. The first tranche of applications had released £1m and had helped 40 new home buyers. Applications had continued to be received and mortgages were anticipated to start in January 2014;
- Members felt that the two schemes (LAM and HBS) should remain in place for first time buyers until the Council was assured that first time buyers could be accommodated by the option of one of the schemes;
- The Council continued with their work with the National Steering Committee regarding the funds locked into the Iceland banks. The Council had been successful in initiating the release of three quarters of funds and continued to work with administrators to retrieve the remainder.

The Committee:

Reviewed the current performance against the Treasury Management Strategy (TMS), which was set in the Medium Term Financial Strategy (MTFS).

The Committee also agreed:

That the Head of Strategic Finance would:

- Provide a percentage representation against the rate of variable interest borrowing for the Council within the future Treasury Management reports;
- To make it clearer within the Treasury Management Strategy that Audit Committee would be notified if the Council's operational boundary borrowing had been exceeded, and would receive a report explaining the issues at the available next meeting; and
- Circulate to Members of the Audit Committee an outline of the key differences between the Local Authority Mortgage and the Help to Buy Schemes.

6. Use of Consultants

The Head of Strategic Finance introduced a report on Peterborough City Council's use of consultants, which was part of the Audit Committee's role to undertake on an on-going

monitoring role. The Committee was also advised by the Head of Strategic Finance that the spend on the use of consultants was on a downward trend and that future use would be determined by the projects the Council had underway. The report provided an overview of the companies used and projects, which had been broken down by department and had also included a list of consultants/interims that had been utilised by the Council for more than one year since the end of January 2013.

The Head of Strategic Finance responded to comments and questions raised by Members. In summary responses included:

- The interim figure of 0.7 had been due to the expenditure on resources to support Adult Social Care commissioning. When the services were transferred to PCC there had been a number of contracts that were not in place and there had been a need to provide resources for these service areas;
- There had been a number of cases where interims were contracted for a period of more than one year. In some cases it had been appropriate to cover the posts whilst situations such as restructures were conducted. However, the list of interims had reduced significantly since the first report had been received by Audit Committee;
- It had not been intended to demonstrate within the reports to Audit Committee, what the benefits of expenditure had been on commissioning consultants and interims;
- Serco was the main framework provider for the commissioning consultants for the Council and would apply best value and market research throughout the procurement process;
- The Head of Strategic Finance would highlight with Serco if it had been felt that the best value for money was not being sought for the provision of consultancy services;
- Some consultants would be contracted through a service company, which was the only way to commission some specialist pieces of work;
- There would be no overhead costs to the Council if a consultant was on annual or sick leave;
- A consultant commissioned to undertake a piece of work for the Council would be required to produce a report, which would provide an overview of the work they had undertaken within the month, in order for the Council to pay the invoice; and
- Implementing a fixed term contract for a specialist piece of work was very resource intensive.

Some Members felt that although there had been an understanding the Council was required to acquire the right skill set to provide its services, consideration should be given to training permanent members of staff rather than seek the services of a consultant. Members also expressed that the commissioning of consultants through service companies seemed unfair due to the difference in tax treatments for the person that was commissioned.

The Cabinet Member for Resources advised the Committee that there were some exit strategies that could be included within the consultancy report where it was appropriate to do so.

The Committee:

1. Considered the updated report on the use of Consultants.

The Committee also agreed that:

Audit Committee Members would be provided with a report detailing the reasons why the Head of Human Resources had been in an interim post at the Council for more than 12 months.

7. Regulation of Investigatory Powers Act (2000): Quarterly Report 2

The Compliance Manager introduced a report, which provided an overview of the Council's use of Regulation of Investigatory Powers Act (RIPA) powers in the three months from 1 July 2013 to 30 September 2013.

The Committee was also advised that the Council continued to investigate reported cases of fly tipping and would apply the use of RIPA where appropriate, however, it had not been necessary to use RIPA in the second quarter.

Following a question by Members of the Audit Committee, the Compliance Manager advised that cameras were not used for surveillance by PCC in Council owned car parks in order to highlight parking offences unless there had been an application made to do so.

The Committee:

Received, considered and endorsed the report on the use of RIPA for the three months from 1 July 2013 to 30 September 2013.

8. Feedback Report

The Chief Internal Auditor introduced a report on the feedback of action that had arisen from the Audit Committee meeting held on 23 September 2013.

The Head of Strategic Finance provided Members of the Audit Committee with a report and copies of a recent Freedom of Information response following the action point raised over the request to provide further information on projects relating to solar panels.

The Director of Governance updated the Committee with regards to the research work in terms of advertisement campaigns aimed to outline the Council's approach on benefit fraud, highlighting the implications for fraudsters.

The Committee:

Noted the update report.

The Committee also agreed that:

- The Director of Governance would organise a private meeting for Members of the Audit Committee to receive an update on the solar panel matters and the Freemans building legal case; and
- Explore the option of utilising bus shelters as an advertisement tool for the benefit fraud campaign.

9. Work Programme

The Chief Internal Auditor submitted the latest version of the Work Programme for the municipal year 2013/2014 for consideration and approval. The standard report provided details of the proposed Work Programme for the Municipal Year 2013/2014 together any training needs identified.

The Committee:

- Noted and approved the 2013/2014 Work Programme; and

- Agreed that the outcome of the Freemans building solar panels would to be discussed when the legal case had been resolved.

CHAIRMAN
7.00 - 8.20 pm

AUDIT COMMITTEE	AGENDA ITEM No. 4
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Committee Member(s) responsible:	Councillor Lamb, Chair of Audit Committee	
Contact Officer(s):	John Harrison, Executive Director - Resources	☎ 452 398

EXTERNAL AUDIT REPORTS

R E C O M M E N D A T I O N S	
FROM : PricewaterhouseCoopers	Deadline date : N/A
<p>The Committee is asked to consider, and endorse the final reports produced by External Audit in the following areas:</p> <ul style="list-style-type: none"> (i) 2012/13 Annual Audit Letter; (ii) Grant Claims: Annual Certification Report; and (iii) Report to Management: Interim and Final Audit 2012/13. 	

1. ORIGIN OF REPORT

This report is submitted to the Audit Committee in line with its Work Programme for 2013/14.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to introduce various reports from PricewaterhouseCoopers (PwC), the Council's external auditors, in accordance with the Committees' Terms of Reference – 2.2.1.6 *To consider the external auditors annual letter, relevant reports, and the report to those charged with governance.*

3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
---	-----------	---	-----

4. ANNUAL INSPECTION LETTER

During the year, PwC have undertaken various reviews on behalf of the authority. The following reports have been received and agreed with senior management. PwC will be in attendance to discuss matters arising in each report.

Appendix	Report	Issue Date
A	2012/13 Annual Audit Letter	October 2013
B	Grant Claims : Annual Certification Report	January 2014
C	Report to Management: Interim and Final Audit 2012/13	January 2014

4.1 2012 / 2013 Annual Audit Letter (Appendix A)

The External Auditor and the Audit Commission Relationship Manager produce an Annual Audit Letter reviewing the Council's arrangements and progress in relation to the Audit of the Accounts. Cabinet will also consider this report in February 2014.

4.2 Grant Claims: Annual Certification Report (Appendix B)

Annual report into the review and verification of grant claims across PCC.

4.3 Report to Management: Interim and Final Audit 2012/13 (Appendix C)

During the year, PwC have undertaken various reviews on behalf of the authority. The following report sets out various control and system issues identified during the course of their interim and final audit work, and has been received and agreed with senior management. PwC will be in attendance to discuss matters arising in the report

5. CONSULTATION

The various appendices have been discussed, and actions agreed by senior management at various times before being finalised. In addition, will Cabinet discuss and approve their content.

6 ANTICIPATED OUTCOMES

Acknowledgement and approval of the works undertaken by External Audit.

7 REASONS FOR RECOMMENDATIONS

Audit Committee to note the contents of the report and to comment on issues identified within the various commissioned works.

8 ALTERNATIVE OPTIONS CONSIDERED

None

9 IMPLICATIONS

Implications have been identified separately in each agreed Action Plan

10 BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
None

11 APPENDICES

- Appendix A – Annual Audit Letter;
- Appendix B – Report to Management;
- Appendix C – Annual Certification Report to those charged with governance 2012/13

www.pwc.co.uk

Peterborough City Council

Annual Audit Letter

2012/13

11

Government and
Public Sector

October 2013

pwc

Contents

Introduction	1
Audit Findings	3
Summary of Recommendations	6
Final Fees	7

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement.

Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

An audit is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

Introduction

The purpose of this letter

This letter summarises the results of our 2012/13 audit work for members of Peterborough City Council (“the Authority”).

We have already reported the detailed findings from our audit work to the Audit Committee in the following reports:

- Audit plan for 2012/13;
- Audit opinion for the 2012/13 financial statements, incorporating conclusion on the proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- Report to those charged with Governance (ISA (UK&I) 260); and
- Annual certification report for 2011/12.

The matters reported here are the most significant for the Authority.

Scope of Work

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We met our responsibilities as follows:

Audit Responsibility	Results
Perform an audit of the accounts in accordance with the Auditing Practice Board’s International Standards on Auditing (ISAs (UK&I)).	We reported our findings to the Audit Committee on 23 September 2013 in our <i>Report to the Audit Committee of the Authority on the audit for the year ended 31 March 2013 (ISA (UK&I) 260)</i> . On 25 September 2013, we issued an unqualified audit opinion.
Report to the National Audit Office on the accuracy of the consolidation pack the Authority is required to prepare for the Whole of Government Accounts.	On 25 September 2013, we reported to the National Audit Office that the consolidation return was consistent with the audited statutory accounts.
Form a conclusion on the arrangements the Authority has made for securing economy, efficiency and effectiveness in its use of resources.	On 25 September 2013, we issued an unqualified value for money conclusion.

Audit Responsibility **Results**

Consider the completeness of disclosures in the Authority's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work and consider whether it complies with CIPFA / SOLACE guidance.



There were no issues to report in this regard.

Consider whether, in the public interest, we should make a report on any matter coming to our notice in the course of the audit.



There were no issues to report in this regard.

Determine whether any other action should be taken in relation to our responsibilities under the Audit Commission Act.



There were no issues to report in this regard.

Audit Responsibility **Results**

Issue a certificate that we have completed the audit in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.



We issued our completion certificate on 25 September 2013.

The main accounting issues relate to:

- *Accounting for new academy schools;*
- *Valuation of property; and*
- *Accounting for the Local Authority Mortgage Scheme.*

Audit Findings

We audited the Authority's accounts in line with approved Auditing Standards and issued an unqualified audit opinion on 25 September 2013.

We are pleased to report that management proactively seek to discuss accounting matters with us throughout the year and the three matters, below that we wish to draw to your attention, were all discussed in this way:

1. Accounting for the construction of new academy schools;
2. Valuation of property; and
3. Accounting for the Local Authority Mortgage Scheme.

1. Accounting for the construction of new Academy schools

During the year, the Authority has been constructing two new academy schools, which will transfer to Greenwood Dale Academies Trust upon completion in June 2014. The Authority initially capitalised this expenditure and then impaired this to nil, as the assets will be owned by the Authority only until the transfer date, and they will not receive the economic benefit from the assets.

We have reviewed the substance of each transaction and determined that in accordance with the CIPFA Code the capital expenditure incurred in relation to the academies should instead be treated as Revenue Expenditure Funded from Capital Under Statute (REFCUS). REFCUS would be recognised within the Comprehensive Income and Expenditure Statement in the period in which it is incurred. A transfer is then made from the Capital Adjustment Account so there is no impact on the balance of the General Fund.

We have also considered whether the arrangements should be considered as the Authority constructing property, plant &

equipment (PP&E) and which is then leased to the Academy or whether this should be considered as a construction contract to build an asset for the Department of Education group. Either approach could have been adopted by the Authority depending on the substance of the transaction, however the pattern of income recognition would be different under the two approaches.

The Authority determined that the substance of each transaction was to recognise as PP&E, with the expenditure treated as REFCUS and the grant income recognised in full in the period.

This is one of the discussed approaches and we were therefore not minded to challenge the adjustment made to the accounts.

2. Valuation of property

The Authority utilised the expertise of an external valuation expert in evaluating the valuation of the Authority's PP&E and investment properties.

Our internal valuation experts reviewed the assumptions and methodologies used by the Authority's external valuation expert and we discussed these with management and the external valuation expert. Management were comfortable that the assumptions and methodology adopted by the external valuer did not materially misstate the financial statements.

We considered the approach adopted by the external valuer and the Authority and, in the context of the truth and fairness of the accounts as a whole, were not minded to challenge the valuations recorded in the accounts.

However, we recommended that management, the external valuers, and our internal valuers, discuss the approach to be adopted for the 2013/14 valuations.

3. Accounting for the Local Authority Mortgage Scheme

The Authority has set up the Local Authority Mortgage Scheme ("LAMS") with Lloyds TSB ("the lender"). In the LAMS, first time buyers ("the borrower") put down five per cent of the property price as a deposit to the lender, with the Authority providing a cash backed indemnity of up to 20 per cent as additional security. The Authority then earns interest on this amount. As at 31 March 2013, the Authority had paid £1m to Lloyds TSB, with a further £1m paid in July 2013 and plans for a further £2m approved by Council for 2013/14.

The Authority has treated its payment of £1m to Lloyds as capital expenditure applying regulation 25(1)(b) of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003. We noted that the Council has obtained advice from the Monitoring Officer in relation to entering into the scheme. The Council has also taken advice from external advisers in respect of its consideration of the appropriate accounting treatment.

We considered that an alternative interpretation of statute may be appropriate as, although the lender would not have made its loan to the borrower without the Authority having placed money on deposit with it, the Authority may not have a relationship with the borrower making the house purchase that is sufficient for regulation 25(1)(c) to be effective. An alternative accounting treatment would treat the commitment that the Authority makes to the lender as meeting the definition of a financial guarantee.

However, we recognised that this issue rests on the interpretation of statute, and that others may be of the view that as the amount advanced to the lender by the Authority is reflected in a larger advance to the borrower than would otherwise have been permitted by the lender's rules, there is

Peterborough City Council

arguably a flow of cash between the Authority and the borrower that is sufficient to constitute the giving of a loan by the Authority to the lender for use by the borrower in acquiring a property.

While we included this as an unadjusted misstatement, given that the value of the amount paid into LAMS at 31 March 2013 was not material in the context of the truth and fairness of the accounts as a whole, there was no impact on our audit opinion.

This view will need to be considered again in the light of any further advances, as accountancy practice and the interpretation of statute in this area develops.

Use of Resources

We carried out sufficient, relevant work in line with the Audit Commission's guidance, so that we could conclude on whether the Authority had in place, for 2012/13, proper arrangements to secure economy, efficiency and effectiveness in the use of the Authority's resources.

In line with Audit Commission requirements, our conclusion was based on two criteria:

- the organisation has proper arrangements in place for securing financial resilience; and
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

To reach our conclusion, we carried out a programme of work that was based on our risk assessment.

We issued an unqualified conclusion in respect of the two criteria set out above.

Annual Governance Statement

Local authorities are required to produce an Annual Governance Statement (AGS) that is consistent with guidance issued by CIPFA/SOLACE. The AGS accompanies the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

Whole of Government Accounts

We undertook our work on the Whole of Government Accounts consolidation pack as prescribed by the Audit Commission. The audited pack was submitted on 25 September 2013. We found no areas of concern to report in this context.

Certification of Claims and Returns

We presented our most recent Annual Certification Report for 2011/12 to those charged with governance in February 2013. We certified 3 claims worth £175 million. In 2 cases, a qualification letter was required to set out the issues arising from the certification of the claim. These details were also set out in our Annual Certification Report for 2010/11. We will issue the Annual Certification Report for 2012/13 in February 2014.

Summary of Recommendations

We have no significant matters to raise other than those above. We have discussed a separate annual summary of recommendations to the Director of Finance and his team, which will be presented to the Audit Committee in February 2014.

Final Fees

Final Fees for 2012/13

We reported our fee proposals in our audit plan. These were as follows:

	2012/13 fee proposal	2011/12 final outturn
Audit work performed under the Code of Audit Practice:		
- Statement of Accounts		
- Conclusion on the organisation's arrangements to secure proper arrangements for the economy, efficiency and effectiveness in its use of resources	163,640	239,400
- Whole of Government Accounts		
Certification of Claims and Returns	19,700	36,300
Non Audit Work	-	-
TOTAL	183,340	275,700

The Audit Commission provided indicative audit fee levels for the 2012/13 financial year. The base fee scale for the Authority's audit was £143,640 (excluding VAT). Our proposed fee includes a budget of £20,000 to cover additional work (for example, invest to save, matters raised with us as auditors requiring consideration, the prior year adjustment and change to the adult social care system). The total £163,640 compares to the outturn fee of £239,400 for 2011/12. The fee for 2011/12 is not directly comparable with the 2012/13 fee as it included a mandatory recharge payable to the Audit Commission that is no longer required to be made.

Peterborough City Council

We are currently in the process of agreeing the fee over and above the scale element with the Audit Commission and will report the final position in due course.

Our fee for certification of claims and returns is yet to be finalised for 2012/13 and will be reported to those charged with governance on February 2013 within the 2012/13 Annual Certification Report.



In the event that, pursuant to a request which Peterborough City Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Peterborough City Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Peterborough City Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Peterborough City Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for Peterborough City Council and solely for the purpose and on the terms agreed through our contract with the Audit Commission. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

© 2013 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

130610-142627-JA-UK

www.pwc.co.uk

Peterborough City Council

Report to Management

2012/13

21

Government and
Public Sector

January 2014

Contents

<i>Introduction</i>	2
<i>Summary of Controls Findings</i>	3
<hr/>	
Appendices	5
<i>Appendix A: IT Control Findings</i>	6
<i>Appendix B: Internal Control Findings</i>	7

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In April 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and of audited bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

An audit is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

Introduction

The purpose of this report

We reported the significant matters arising from our audit in our “*Report to the Audit Committee of the Authority on the audit for the year ended 31 March 2013 (ISA (UK&I) 260)*”, which we presented to the Audit Committee on 23 September 2013. In that report, we noted that there were no significant deficiencies in internal control to bring to your attention and that we would report minor internal control issues separately to management and then present these to the Audit Committee. This report details these matters which we have identified during the interim and final audits of the 2012/13 accounts.

The matters included in this report are those that came to our attention as a result of our normal audit procedures. Consequently our comments should not be expected to include all possible internal control weaknesses that a more extensive and specific investigation might identify. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any other third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

We would like to take this opportunity to thank your staff for their assistance and the co-operation extended to us during the course of this review.

Progress against prior year findings

It is positive that all of the recommendations raised during previous years’ audits have been addressed and hence have not been repeated in this report. However, we have noted 10 new control issues from our 2012/13 audit.

Categorisation of findings

Each recommendation has been allocated a priority rating to reflect the degree of importance in the context of Peterborough City Council’s internal controls. The definition of ratings is as follows:

Priority	Definition
High	Significant weaknesses that could undermine the effectiveness of the system of internal controls or have a significant impact on business operations and must therefore be addressed immediately.
Medium	Weaknesses that could reduce the effectiveness of the system of internal controls or could disrupt business operations, but which are not fundamental. They should be addressed as soon as possible.
Low	Improvements that represent best practice or opportunities to enhance efficiency or control. The finding will not necessarily imply inadequate control.

Summary of Controls Findings

This section summarises the recommendations we have made as a result of our audit work in relation to information technology controls (“IT controls”) and internal controls identified during our interim and final audit work at the Council in 2012/13.

The findings detailed in the report are summarised as follows:

No.	Summary of Finding	Priority		
		High	Medium	Low
IT controls				
1	Monitoring of super-user transactions		x	
2	Technology Forge leavers report is not accurate			x
Other controls				
3	Monitoring of grant income		x	
4	Year end cut off procedures		x	
5	Process maps		x	
6	Serco – reconciliations			x
7	Authorisation of write-offs			x
8	System errors logged as write offs have not been appropriately investigated and authorised			x

No.	Summary of Finding	Priority		
		High	Medium	Low
9	Expense claim authorisation list is out of date			x
10	Invoice request forms are not consistent			x

Appendices

Appendix A: IT Control Findings

No.	Observation and Risk	Recommendation	Priority	Management Response
1	<p>Monitoring of super-user transactions</p> <p>There is no control in place to monitor the activities of super-users for the Academy or Technology Forge systems.</p> <p>There is a risk of unauthorised access to high level functionality within the system.</p> <p>However, we did not identify any exceptions from our testing of access to these systems.</p>	<p>A control should be in place to monitor the activities of super-users for the Academy and Technology Forge systems to mitigate the risk of unauthorised access.</p>	Medium	<p>Agreed</p> <p>Action: There will always be a risk around super user access to the Capita (Academy) system. The following measures are in place to mitigate the identified risk and reduce it to low. The access is tightly restricted to the systems administration role within Shared Transactional Services (five in total). This is via a secure admin password and user name and associated software that are only installed on user's specific PCs.</p> <p>PCC are working with Serco to implement suitable controls.</p> <p>Owner: Shared Transactional Services</p> <p>Timescale: Three Months</p>
2	<p>Technology Forge leavers report is not accurate</p> <p>The system generated report of leavers from the Technology Forge fixed asset system showed that no user access rights had been revoked in the year, however we are aware that some users have left and their accounts were terminated.</p> <p>Alternative procedures were performed and a list of all leavers obtained from HR and cross referenced to the system, however the control to ensure leavers are removed from the system would not operate effectively if the system generated report were used.</p>	<p>The issue with the system generated report should be resolved with the system administrator.</p>	Low	<p>Agreed</p> <p>Action: Report to be run each quarter however the report does not pick up the changes; the problem has been reported to the supplier Technology Forge who will resolve the problem.</p> <p>Owner: Richard Porter</p> <p>Timescale: Three Months</p>

Appendix B: Internal Control Findings

No	Observation and Risk	Recommendation	Priority	Management Response
3	<p>Monitoring of grant income</p> <p>A control was in place to centrally monitor grant income at the Council; all grants were tracked and receipts to the bank logged.</p> <p>This central control is no longer in operation such that individual departments are now responsible for monitoring expected grant income and receipts.</p> <p>From our testing we noted that departmental controls are not operating effectively as this is not being monitored in all cases.</p> <p>There is a risk that all grant income due to the Council may not be received and if remittances are not received that grant income receipts may be misallocated.</p>	<p>The central control previously in place was designed and operating effectively therefore it is recommended that this control is reintroduced, or appropriate controls are in place and operational at a departmental level.</p>	Medium	<p>Agreed</p> <p>Action: Departmental controls have been re-enforced. Updates at Operational Finance Meeting. Heads of Finance are aware of their responsibilities.</p> <p>Owner: Steven Pilsworth</p> <p>Timescale: Implemented</p>
4	<p>Year end cut off procedures</p> <p>It was identified that the Council's year end cut off procedures were not adhered to by the legal department. From our testing, it was noted that £138,000 was not appropriately accrued for, even though an invoice was raised for this income in April which related to March and therefore should have been included in the 2012/13 accounts.</p> <p>There is therefore a risk that transactions are accounted for in the incorrect period.</p>	<p>It is recommended that a review of the cut off procedures is performed to ensure appropriate accruals have been made. An additional control would also be to perform a review of post year end invoices raised to ensure that appropriate accruals have been made in the accounts.</p>	Medium	<p>Agreed</p> <p>Action: Introduced new report to identify payments/ invoices that have been raised/ receipted during March, April and May for review by departmental accountants to ensure transactions are accounted for in the correct year.</p> <p>Owner: Steven Pilsworth</p> <p>Timescale: Implemented</p>
5	<p>Process maps</p> <p>From our review of processes and procedures at Serco it was identified that no process maps are maintained.</p> <p>There is a risk that appropriate controls and processes are not in place if these have not been fully documented. We have also identified control weaknesses from our testing at Serco (as detailed in this report); fully documented controls and processes would clarify to individuals the appropriate procedures that need to be performed.</p>	<p>It is recommended that each key process is documented with the key controls identified and associated procedures documented.</p>	Medium	<p>Agreed</p> <p>Action: There are procedure notes in place, covering the key areas of work that the team undertake. As a result the risk is very low that the team will not follow the agreed processes in carrying out their work. There is also a plan within the service to review these procedure notes within the next six months to ensure they are accurate and fully reflect the way in which Serco works in partnership with PCC. Part of this review will be to map the key processes via a process mapping tool identifying both the different key tasks and activity</p> <p>Process Maps for the Payroll Team began to be</p>

			implemented in January 2013. These have now been fully implemented and will be reviewed annually.
			Owner: Shared Transactional Services
			Timescale: Six Months
6	<p>Sercos – reconciliations</p> <p>There are a number of reconciliations completed within council tax (CT), National Non-Domestic Rates (NNDR) and housing benefit (HB). In some instances, there is a lack of evidence of when these were completed, who completed the reconciliation and who performed a review of the reconciliation. Additionally some reconciliations were not sufficiently detailed to enable reperformance and therefore review by a more senior officer. There is therefore a risk that reconciliations are not being performed on a timely basis and may not be performed accurately.</p> <p>We noted:</p> <ul style="list-style-type: none"> a) No evidence of who performed or reviewed the raising of demands reconciliation for CT and NNDR (note this is performed annually); b) The daily reconciliation for CT and NNDR between the cash management system, Academy and Oracle is not sufficiently detailed to allow reperformance and therefore review, and the date was not recorded on which the monthly reconciliation has been performed for the three months tested; c) Before 23 October 2012, there is no evidence of review of the daily cash reconciliation for CT and NNDR. No exceptions were noted from our sample after this date; d) Before July 2012, there is no evidence of who completed the reconciliation between Academy and Oracle for refunds. No exceptions were noted from our sample after this date; e) From a sample of five reconciliations, there was lack of evidence of who performed one of the reconciliations of total properties per the VOA listing and the Academy system; f) For the reconciliations performed 	All reconciliations completed by staff should be dated and signed by the individual performing the reconciliation, and should also be reviewed and evidenced as reviewed by a more senior member of staff.	<p>Low</p> <p>Agreed</p> <p>Action: a) This will be done ongoing from this year end onwards;</p> <p>b) The system totals are cumulative so any error would be carried over every day until corrected. Any failure to do this would be detected on the monthly reconciliation which is done by a different officer, and this check is then verified by a third officer. Capita batch programs relating to this reconciliation are removed after 3 months as part of housekeeping. The monthly reconciliation is verified by a second officer. Emails confirming reconciliation has been done and has been checked are stored, so the date of the checking can be confirmed by the email;</p> <p>c) This was introduced as an outcome of the previous audit review, ongoing since October 2012;</p> <p>d) This was introduced as an outcome of the previous audit review, ongoing since July 2012;</p> <p>e) The schedule in question was actioned correctly and did balance. The schedule itself was countersigned by a member of staff, it was the screen shot that was not. A reminder will be sent round to staff to remind them to countersign both the schedule and the screen shot;</p> <p>f) This has been fully remedied (note: previous audit recommendation was also fully remedied in August 2012, and this has been the maintained position since this date); and</p> <p>g) This reconciliation is completed by PCC and the procedure will be adjusted to incorporate the changes required within 3 months.</p>
			The Council will seek assurances that these controls are maintained moving forward.
			Owner: Shared Transactional Services/Strategic Finance
			Timescale: Implemented/Three Months

between Rent allowances per the creditor system and the HB system, for the five reconciliations selected there was no evidence maintained on file of who prepared it or on which date. For the reconciliations between the CT benefit per the creditor system and the HB system, there was no evidence maintained of who prepared this prior to August 2012. For both reconciliations, there was no evidence maintained of second officer review; and

- g) For the reconciliation of rent allowances, rent rebates and CT benefits between Academy and Oracle, for the three months selected no evidence was maintained on file of who prepared them, on which date, and whether they were reviewed by a second officer.

7	<p>Authorisation of write-offs</p> <p>It was noted that the authorisation of write-offs was not in-line with the agreed arrangements between Serco and the Council.</p> <p>The notice of change issued to Serco by the Council 17 April 2012, states that “Any write offs for sundry debts (whatever the amount of the debt) will continue to be referred by the Partner to the Authority’s Representative for determination”. However Serco has been applying the previous policy that Heads of Service can authorise write offs under £5,000. There is a risk that unauthorised write offs may be made.</p>	<p>The policy should be confirmed with Serco and adherence should be monitored by the Council.</p>	Low	<p>Agreed</p> <p>Action: Serco have had the position clarified they will ensure that all write-offs are put through the ‘authority’s representative for determination’.</p> <p>Owner: Shared Transactional Services</p> <p>Timescale: Implemented</p>
8	<p>System errors logged as write offs have not been appropriately investigated and authorised</p> <p>During testing of a sample of 25 NNDR write offs, two were noted to be due to system errors, rather than genuine write-offs. These did not follow the standard authorisation process and the system team could not find evidence of these errors being logged and investigated.</p> <p>There is a risk that write-offs are processed manually without being authorised, and described as system errors.</p>	<p>All write-offs should be authorised and where system errors occur these should be fully investigated and authorised.</p>	Low	<p>Agreed</p> <p>Action: Serco will ensure that for any cases where the ‘write-off’ code is used, the case has been thoroughly investigated, the code applied correctly and approved by the relevant authorised officer’.</p> <p>Owner: Shared Transactional Services</p> <p>Timescale: Implemented</p>

<p>9 Expense claim authorisation list is out of date</p> <p>Serco holds a list of authorised signatories for all expense claims to be processed, however this has not been recently reviewed and is out of date.</p> <p>There is a risk that unauthorised expense claims may be processed.</p>	<p>It is recommended that the signatory list is regularly reviewed and updated.</p>	<p>Low</p>	<p>Agreed</p> <p>Action: This has been raised with internal audit prior to this report. A review is to be undertaken with input from internal audit with a view to review the authorised signatories and review the process.</p> <p>Owner: Payroll</p> <p>Timescale: TBC (pending inclusion in internal audit plan)</p>
<p>10 Invoice request forms are not consistent</p> <p>Invoice request forms sent by the Council to Serco are not consistent.</p> <p>This is a best practice point which would aid efficiency.</p>	<p>For consistency and efficiency, it is recommended that a template form is created and circulated for use for all invoice requests.</p>	<p>Low</p>	<p>Agreed</p> <p>Action: There are standard forms contained on 'Insite' that should be used for Invoice Requests. Serco reject any Invoice Requests that are not on the templates.</p> <p>Owner: PCC</p> <p>Timescale: Implemented</p>



In the event that, pursuant to a request which Peterborough City Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. Peterborough City Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Peterborough City Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Peterborough City Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

This document has been prepared only for Peterborough City Council and solely for the purpose and on the terms agreed through our contract with the Audit Commission. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

© 2014 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

130610-142627-JA-UK

*Annual Certification Report
to those charged with governance
2012/13*
Peterborough City Council

33

*Government and
Public Sector –
Annual Certification
Report to those
charged with
governance*

January 2014



The Members of the Audit Committee

Peterborough City Council
Town Hall
Bridge Street
PETERBOROUGH
PE1 1HG

January 2014

Ladies and Gentlemen

Annual Certification Report (2012/13)

We are pleased to present our Annual Certification Report which provides members of the Audit Committee with a high level overview of the results of certification work we have undertaken at Peterborough Council in 2012/13.

We have also summarised our fees for 2012/13 certification work in Appendix A.

Results of Certification work

For the period ended 31 March 2013, we certified three claims and returns worth a final net total of £184,290,665. Of these, one was amended following certification work undertaken and three required qualification letters to set out matters arising from the certification of the claim or return. We have set out further details in the attached report.

We identified a number of matters relating to the Council's arrangements for preparation of claims and returns during the course of our work, some of which were of a minor nature. The most important of these matters have been brought to your attention in this report.

We ask the Audit Committee to consider the content of this report.

Yours faithfully,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, 2nd Floor, 3 St James Court, Whitefriars, Norwich, NR3 1RJ

www.pwc.co.uk

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.

Table of Contents

Introduction	1
<i>Scope of work</i>	<i>1</i>
<i>Statement of Responsibilities of Grant-Paying Bodies, Authorities, the Audit Commission and Appointed Auditors in Relation to Claims and Returns</i>	<i>1</i>
<i>Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies</i>	<i>1</i>
Results of Certification Work	2
<i>Claims and returns certified</i>	<i>3</i>
<i>Matters arising</i>	<i>3</i>
<i>National Non-Domestic Rates Return</i>	<i>3</i>
<i>Housing and Council Tax Benefits Scheme</i>	<i>4</i>
<i>Teachers' Pensions Return</i>	<i>4</i>
Appendix A	7
<i>Certification Fees</i>	<i>7</i>
Appendix B	8
<i>2012/13 Management Action Plan</i>	<i>8</i>

Introduction

Scope of work

Grant-paying bodies pay billions of pounds in subsidies and grants each year to local authorities and often require certification, by an appropriately qualified auditor, of the claims and returns submitted to them. Certification work is not an audit but a different kind of assurance engagement which reaches a conclusion but does not express an opinion. This involves applying prescribed tests, as set out within Certification Instructions (“CIs”) issued to us by the Audit Commission, which are designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions; where this is not the case matters are raised in a ‘qualification letter’.

The Audit Commission is required by law to make certification arrangements for grant-paying bodies when requested to do so and sets thresholds for claim and return certification, as well as the prescribed tests which we, as local government appointed auditors, must undertake. We certify claims and returns as they arise throughout the year to meet the certified claim/return submission deadlines set by grant-paying bodies. Our role is to act as ‘agents’ of the Audit Commission when undertaking certification work; certification work is not an audit but a different form of assurance engagement, the precise nature of which will vary according to the claim or return; we are required to carry out work and complete the auditor certificate in accordance with the arrangements and requirements set by the Commission.

We consider the results of certification work when performing other Code of Audit Practice work at the Authority, including our conclusions on the financial statements and on value for money.

Statement of Responsibilities of Grant-Paying Bodies, Authorities, the Audit Commission and Appointed Auditors in Relation to Claims and Returns

In November 2010, the Audit Commission updated the ‘Statement of Responsibilities of Grant-Paying Bodies, Authorities, the Audit Commission and Appointed Auditors in Relation to Claims and Returns’. This is available from the Audit Commission’s website. The purpose of this Statement is to summarise the Audit Commission’s framework for making certification arrangements and to assist grant-paying bodies, authorities, and the Audit Commission’s appointed auditors by summarising their respective responsibilities and explaining where their different responsibilities begin and end.

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In March 2010, the Audit Commission issued a revised version of the ‘Statement of Responsibilities of Auditors and of Audited Bodies’. It is available from the Chief Executive of each audited body and on the Audit Commission’s website. The purpose of the Statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any member or officer in their individual capacity or to any third party.

Results of Certification Work

Results of Certification Work

Claims and returns certified

A summary of the claims and returns certified during the year is set out in the table below. In three cases qualification letters were required to set out matters arising from the certification of the claim/return. One of the claims/returns was amended following the certification work undertaken. All deadlines for submission of certified claims/returns were met. Fee information for the claims and returns is summarised in Appendix A.

Claims and returns certified in 2012/13

CI Reference	Scheme Title	Form	Original Value (£)	Final Value (£)	Amendment	Qualification
BEN01	Housing and Council Tax Benefits Scheme	MPF720A	87,488,877.00	87,486,056.00	Yes	Yes
LA01	National Non Domestic Rates Return	NNDR3	87,664,801.00	87,664,801.00	No	Yes
PEN05	Teachers' Pensions Return	EOYCd	9,136,987.54	9,136,987.54	No	Yes

Matters arising

The most important matters we identified through our certification work are summarised below.

National Non-Domestic Rates Return

Through our work on this return we identified that the return was signed and sent to DCLG on 17 July 2013. This is after the deadline of 28 June 2013 per the CI and as a result we were required to report this matter to the CLG in our qualification letter.

Whilst this matter did not impact our certification of the claim within the required timescale, the Council should ensure that that form is submitted in a timely manner going forwards.

Housing and Council Tax Benefits Scheme

Our testing identified a number of errors in relation to the Council's compliance with Housing and Council Tax Benefit regulations. In a number of cases, it was possible to quantify these errors and make appropriate amendments to the claim form.

However, we also reported a number of matters to the DWP in a qualification letter where no amendment could be agreed which would be representative of the whole population.

In summary, the matters related to:

- Non HRA: two cases of expenditure misclassification, one case of overpaid benefit, and one case where overpayment started on the incorrect day.
- Council Tax: two cases where earnings had been incorrectly calculated.
- Extended ("40+") testing was performed on the above errors, and also upon errors identified within the prior year testing but not noted within the current year testing.
- 40+ testing resulted in five additional misclassification errors within Non HRA, three errors relating to incorrect usage of child tax credits within Rent Allowances, 19 misclassification of overpayment errors within Rent Allowances, two cases within Council Tax allowance where earnings had been incorrectly calculated and three cases within Council Tax allowance where overpayments had been incorrectly classified.

The majority of these error types were also identified in previous years.

The extended testing following our initial testing of benefit cases was performed this year by the Authority. We are pleased to report that this testing was of good quality.

Whilst we recognise the complexity of this particular claim, it is recommended that additional training is instigated for relevant personnel to avoid continuing issues.

Teachers' Pensions Return

We noted some minor control points for the Council to implement:

- There are no formal checks performed to ensure free schools/academies have been properly excluded from the data and thus the form. Although the third party payroll provider provides a list of the schools within its return, it is the Authority which must identify those which must be excluded during its general checks and reconciliation processes. The Teachers' Pensions' administration team advise the Sero payroll team which schools to include or exclude from the return. During the course of our testing no free schools or academies came to our attention that had been included inappropriately.

- In relation to third party provider information, the Authority performs a check to ensure that the calculation of employers and employees contributions is reasonable. However, there are no spot checks performed on this data to ensure teachers have been included within the correct 'contribution tier'. The value of third party payroll providers' teachers' contributions amounts to £2,266,548. Our testing did not however, identify any errors.

Appendices

Appendix A

Certification Fees

The fees for certification of each claim/return are set out below:

Claim/Return	2012/13 Indicative Fee	2012/13 Variation sought from Audit Commission	2012/13 Forecast outturn Fee (£)	2011/12 (£) Final Fee (£)	Comment
BEN01 Housing and Council Tax Benefits Scheme	13,810	9,960*	23,770	26,500	Increase in fee due to additional testing performed as a result of errors in the initial samples tested.
LA01 National Non Domestic Return (NNDR)	3,000	618	3618	5,000	Additional Part B testing performed in 2012/13.
PEN05 Teachers' Pensions Return	2,890	-	2,890	4,800	
Total	19,700	10,578	30,278	36,300	

*This fee variation has been submitted to the Audit Commission for approval.

These fees reflect the Council's current performance and arrangements for certification.

It should be noted that the Audit Commission updated the fee approach for certification in 2012/13. This applied a 40% discount to the 2010/11 billed fee. Indicative fees may subsequently be updated for Audit Commission approved variations; for example where there was a change in the level of work required, such as extended testing.

The Council could improve its performance by

- reviewing the final claim / return against supporting working papers to ensure there are no discrepancies;
- reviewing guidance issued by the grant paying body in relation to the claim / return and completion; and
- ensuring the adequacy of evidence to support the claim / return entries.

We will continue to seek ways in which we can improve the overall level of liaison with senior officers regarding the progress of certification work, time and issues.

At the same time, we welcome closer scrutiny by officers of any certification claims/returns submitted to us for review and continued efforts to ensure that the quality of evidence available to support claims/returns is appropriate. The Council's performance may also be improved by ensuring prior year qualification issues are reviewed and controls assessed to mitigate against similar errors occurring in future periods.

Appendix B

2012/13 Management Action Plan

Claim/Return (deadline)	Issue	Recommendation	Management response
Housing and Council Tax Benefits Subsidy (BEN01) (30 Nov 2013)	<p>Errors were identified including:</p> <ul style="list-style-type: none"> Expenditure misclassification; Data input incorrectly into the calculation of benefit resulting in under / overpayment of benefit. <p>Similar issues were raised in prior years' Annual Certification Reports.</p>	We recommend that the Authority considers why the errors identified in our testing occurred on a case-by-case basis and implement corrective measures as appropriate.	<p>Accepted</p> <p>Action: Some errors were specific to certain officers and others were general errors. With regards to specific errors training has been undertaken to ensure these problems do not occur again. To reduce the risk of other errors occurring there is an ongoing 10% quality control check of all assessments undertaken. Errors found are fed back to both the officer concerned and their team leader and a course of action agreed upon.</p> <p>In November 2013, a new software package has been implemented to allow better management reporting of errors to identify areas that may require further training and/or guidance. Overpayment classification has already been identified as a general area requiring further training, and this training has been undertaken with all benefits staff in January 2014.</p> <p>Owner: Shared Transactional Services</p> <p>Timescale: Implemented</p>
National Non Domestic Rates Return (LA01) (27 September 2013)	The Authority is required to provide the original signed hard-copy of the claim form to the auditors for certification by 28 June 2013. This was not received until 17 July 2013.	All hard-copy claims and returns should be submitted to the appointed auditor for certification in accordance with the certification instruction.	<p>Accepted</p> <p>Action: Changes have been made to the timetable for the completion of this return. these changes include:</p> <ol style="list-style-type: none"> Named responsibility for each form; Extra definition showing separately

Claim/Return (deadline)	Issue	Recommendation	Management response
Teachers' Pensions return (PEN05) (29 November 2013)	<p>There are no formal checks performed to ensure free schools/academies have been properly excluded from the data and thus the form. Although the third party payroll provider provides a list of the schools within its return, it is the Authority which must identify those which must be excluded during its general checks and reconciliation processes. The Teachers' Pensions' administration team advise the Serco payroll team which schools to include or exclude from the return. During the course of our testing no free schools or academies came to our attention that had been included inappropriately.</p> <p>In relation to third party provider information, the Authority performs a check to ensure that the calculation of employers and employees contributions is reasonable. However, there are no spot checks performed on this data to ensure teachers have been included within the correct 'contribution tier'. The value of third party payroll providers' teachers' contributions amounts to £2,266,548. Our testing did not however, identify any errors.</p>	Controls should be implemented to cover off these risks.	<p>dates for submission to the Council and dates for submission to DCLG;</p> <ol style="list-style-type: none"> 3. Retraining on new control points for officers affected; 4. Increased focus of Managers at Serco to timetable and increased follow up of matters that cause concern; and 5. Further communication links between Serco and the Strategic Client Team. <p>Owner: Shared Transactional Services Timescale: Implemented</p> <hr/> <p>Accepted Action: Once a school converts to an academy they are no longer maintained by the LA and this would be covered as part of setting up the academy. Part of the responsibility of an academy and free school is that they are liable to make their own returns to Teachers' Pensions and other regulatory bodies. It would be identified as part of the monthly reconciliation if information was received from an academy or free school and would be excluded.</p> <p>Controls are in place to identify those in the wrong contribution tier. As part of the monthly reconciliation it would be identified if a teacher was paying the wrong contributions as the reconciliation sheet would not balance.</p> <p>PCC Schools Finance team to notify Serco – Payroll when a school transfers to an academy status to ensure that the school is removed from Teachers' Pensions.</p> <p>Owner: Shared Transactional Services Timescale: Implemented</p>

Glossary

Audit Commission Definitions for Certification work

Abbreviations used in certification work are:-

‘appointed auditor’ is the auditor appointed by the Audit Commission under section 3 of the Audit Commission Act 1998 to audit an authority’s accounts who, for the purpose of certifying claims and returns under section 28 of the Act, acts as an agent of the Commission. In this capacity, whilst qualified to act as an independent external auditor, the appointed auditor acts as a professional accountant undertaking an assurance engagement governed by the Commission’s certification instruction arrangements;

‘assurance engagement’ is an engagement performed by a professional accountant in which a subject matter that is the responsibility of another party is evaluated or measured against identified suitable criteria, with the objective of expressing a conclusion that provides the intended user with reasonable assurance about that subject matter;

‘auditor’ is a person carrying out the detailed checking of claims and returns on behalf of the appointed auditor, in accordance with the Commission’s and appointed auditor’s scheme of delegation;

‘authorities’ means all bodies whose auditors are appointed under the Audit Commission Act 1998, which have requested the certification of claims and returns under section 28(1) of that Act;

‘certification instructions’ (‘CIs’) are written instructions from the Commission to appointed auditors on the certification of claims and returns;

‘certify’ means the completion of the certificate on a claim or return by the appointed auditor in accordance with arrangements made by the Commission;

‘claims’ includes claims for grant or subsidies and for contractual payments due under agency agreements, co-financing schemes or otherwise;

‘Commission’ refers to either the Audit Commission or the Grants Team of the Audit Policy and Regulation Directorate of the Commission which is responsible for making certification arrangements and for all liaison with grant-paying bodies and auditors on certification issues;

‘grant-paying bodies’ includes government departments, public authorities, directorates and related agencies, requiring authorities to complete claims and returns;

‘returns’ are either:

- returns in respect of grant which do not constitute a claim, for example, statements of expenditure from which the grant-paying body may determine grant entitlement; or
- returns other than those in respect of grant, which must or may be certified by the appointed auditor, or under arrangements made by the Commission;

‘Statement’ is the *Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns*, available from www.audit-commission.gov.uk;

‘underlying records’ are the accounts, data and other working papers supporting entries on a claim or return.



This document has been prepared only for Peterborough City Council and solely for the purpose and on the terms agreed with Peterborough City Council in our agreement dated March 2013. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

© 2014 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom), which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

AUDIT COMMITTEE	AGENDA ITEM. 5
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member responsible:	Councillor Seaton, Resources Portfolio Holder	
Contact Officer(s):	Kim Sawyer, Director of Governance	452361

WHISTLEBLOWING POLICY

RECOMMENDATIONS
FROM : Kim Sawyer, Director of Governance
Audit Committee is recommended to:
<ol style="list-style-type: none"> 1. Review the attached updated Whistleblowing Policy; and 2. Recommend the policy for approval by the Joint Consultation Forum and Employment Committee.

1. ORIGIN OF REPORT

This report is submitted to the Committee as part of the work to ensure best practice is established within the Council's anti-fraud and corruption strategies.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The main purpose of this report is to seek the Committee's approval for an updated Whistleblowing Policy following the changes introduced by the Enterprise and Regulatory Reform Act 2013.
- 2.2 This report is to be considered in accordance with its Terms of Reference 2.2.1.14 - *To monitor council policies on "raising concern at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.*

3. WHISTLEBLOWING POLICY

- 3.1 The Council is committed to the highest possible standards of openness, probity and accountability. In line with this commitment, Members, officers, our partners and the wider public are encouraged to voice their concerns about any aspect of the Council's work. There may be occasions where certain cases will need to proceed on a confidential basis.
- 3.2 Those with concerns may feel unable to express their concerns through fear of harassment or victimisation. These fears may cause an individual to choose to ignore the concern. The purpose of this policy sets out our commitment to those individuals who report their concerns that they can do so without fear of recrimination.
- 3.3 The attached policy applies to all Members, officers (permanent or temporary, partners and the public.
- 3.4 The operational procedures for reporting concerns under the Whistleblowing Policy are contained within the Whistleblowing Plan as Appendix 1. This sets out how individuals

can report concerns, the protection they can expect and how the Council will respond. This policy recognises the synergy between whistleblowing and anti-bribery measures. It provides a coherent and consistent framework to enable Peterborough City Council members, officers, our Partners and the wider audience to understand and implement arrangements to enable compliance.

4. CONSULTATION

Consultation has taken place between the following parties:

- Director of Governance
- Executive Director of Strategic Resources (as the designated s.151 officer); and
- Chief Internal Auditor

5. ANTICIPATED OUTCOMES

That the Council will have in place an up to date policy to meet its whistleblowing responsibilities.

6. REASONS FOR RECOMMENDATIONS

The Council should have policy and procedures in place to prevent bribery and corruption either by individuals seeking to make a gain or those accepting such inducements. The Council is a commercial organisation as defined by the Public Interest Disclosure Act and could be liable to prosecution should we fail to have adequate safeguards in place to prevent bribery.

7. IMPLICATIONS

The implications of this report are that the Council will become more aware and will continue to consider the risks and consequences of this type of abuse. This policy along with other policies such as the Fraud and Corruption Policy will continue to highlight that fraud and corruption are unacceptable. The presumption must be about preventing corruption by designing systems to stop it happening in the first place but where it occurs, there should be an equal presumption that its perpetrators will face tough action. This can only serve to increase the standards of conduct in the Council.

8. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- Public Interest Disclosure Act 1998; and
- Enterprise and Regulatory Reform Act 2013.

9. APPENDICES

Appendix A – Whistleblowing Policy

Peterborough City Council

Whistle Blowing Policy



Growing the right way for
a bigger, better
Peterborough



Contents

Purpose	3
Whistleblowing Policy.....	3
Scope	3
Aims.....	4
Safeguards	5
For individuals raising the concern.....	5
Confidentiality	6
Anonymous Allegations.....	6
Untrue Allegations/Defamation	6
Malicious/Vexatious Allegations	7
Unfounded Allegations	7
Support to Employees.....	8
Vested Interest	8
Appendix 1 Whistle Blowing Reporting Plan	9
Reporting concerns.....	9
How Peterborough City Council will respond.....	10
Further information	11

Purpose

The Council is committed to the highest possible standards of openness, probity and accountability. In line with those commitments members, officers, our Partners and the wider public with serious concerns about any aspect of the Council's work are encouraged to come forward and voice those concerns. It is recognised that certain cases will have to proceed on a confidential basis.

Those who work or operate within the organisation may often be the first to realise that there may be something wrong within the Council. However, they may not feel able to express their concerns because they feel that speaking out would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may appear to be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

The aim of this policy is to encourage individuals to feel confident in raising serious concerns and to question and act upon any concerns about Council practices. This policy makes it clear that those affected can and should voice their concerns on any aspects of the Council's work without fear of victimisation, subsequent discrimination or disadvantage. It is intended to encourage, enable, and require employees to raise serious concerns within the Council rather than overlooking a problem or blowing the whistle outside.

The principles of this policy apply to all Members, officers (whether permanently employed or otherwise) and Partners.

Details of how to report a concern are incorporated into this policy and the operational requirements of this policy are contained in the Whistleblowing Reporting Plan.

Whistleblowing Policy

Scope

This policy applies to all employees, our Partners and those contractors working for the Council on council premises, e.g. agency staff, builders, etc. It also covers suppliers and those providing services under a contract with the council in their own premises, e.g. care home, etc.

This policy is in addition to the council's Complaints Procedure, Grievance Procedure, Dignity at Work Procedure, Members and Officers Code of Conduct and

other statutory reporting procedures which may apply within some departments of the council.

The use of this Policy will not directly result in disciplinary sanctions being imposed on employees. However a concern raised through the Policy may lead to the matter being dealt with via the disciplinary or another agreed procedure.

Aims

The Whistleblowing Policy aims to:

- encourage Council employees, our Partners' employees and others and to feel confident in raising serious concerns and to question and act upon any concerns about council practices;
- provide avenues for those individuals to raise these concerns internally and receive feedback on any action taken;
- ensure that all concerns are taken seriously;
- deal consistently with disclosures in a fair, objective and discrete manner.
- ensure that the Council continues to improve its services and operate best practices.
- reassure individuals that they will be protected from victimisation, subsequent discrimination or disadvantage by colleagues for whistleblowing; and
- allow individuals to take the matter further if they are dissatisfied with the Council's response.

There is an existing Grievance Procedure in place to enable Council employees to raise a personal concern relating to their employment, and also a Dignity at Work Policy. This policy is intended to cover major concerns that fall outside the scope of these other procedures.

Major concerns may include:-

- Physical, sexual, or emotional abuse of a child or any other person by another employee or any other person.
- Inappropriate use of grants;
- tampering with tender documents to advantage a particular party;
- Manipulation of accounting records and finances, including fraudulent claims;
- Decision making for personal gain;
- Infringement of service users' personal, human and basic rights e.g. abuse (physical, emotional, sexual), harassment, bullying and prejudice.
- Inappropriate use of council assets by an individual;
- Deceit, within council practices;
- Abuse of position within the Council or its Partners.
- Health and safety of employees or service users.

Concerns which fall within the scope of the whistleblowing procedure may also be about something that:

- is potentially unlawful; or
- is against the council's Standing Order or policies; or
- falls below established standards or practice; or
- amounts to improper conduct.

Before initiating the procedure employees should consider the following:

- that responsibility for expressing concerns about unacceptable practice or behaviour rests with all employees;
- that employees should use supervision sessions, team meetings and other opportunities to raise questions and seek clarification on issues which are of concern; *and*
- that it can be difficult to raise concerns about the practice or behaviour of a colleague, but employees must act to prevent an escalation of the problem and to prevent themselves being potentially implicated.

All Council employees, contractors and those of our Partners have the right to raise concerns, which could be about the actions of other employees, employees of our Partners, private contractors and/or elected members.

Safeguards

For individuals raising the concern

The decision to report malpractice can be a difficult one for an individual, who may possibly fear subsequent victimisation or harassment. No action will be taken against a Council employee who has raised a concern under this policy, even if that concern is seen to be unfounded after investigation. This does not, however, mean that if an employee is already the subject of disciplinary or redundancy procedures, that these procedures will be halted as a result of that employee whistleblowing.

Victimisation or harassment of an employee who has raised a concern, or any other attempt at reprisal either by an employee whose conduct is the subject of investigation or others; will not be tolerated and be considered a disciplinary offence.

In all cases the provisions of the Public Interest Disclosure Act 1998 (PIDA) will be adhered to.

The Enterprise and Regulatory Reform Act 2013 (ERRA) introduced a public interest test requirement for whistleblowing concerns. In order for PIDA to apply, the whistle-

blower must show that they reasonably believe that their disclosure is in the public interest. ERRA came into force on 25 June 2013 and affects disclosures made after that date.

For those individuals employed by a Partner, the Partner's policies should apply.

Confidentiality and Anonymous Allegations

The council will do its best to protect the whistleblower's identity when they raise a concern and do not want their name to be disclosed. However, it must be understood that should the concern raised need to be addressed through another procedure, e.g. disciplinary procedure, the individual may be asked to provide a signed statement as part of the evidence, thus revealing their identity. The council will make every effort to ensure that an employee's disclosure is corroborated with *prima facie* evidence thus reducing the need for the employee to produce their testimony. If the situation arises where we are unable to resolve the concern without revealing the identity (for instance because the evidence is needed in court), the council will discuss the issues with the individual concerned to decide how to proceed.

Anonymous Allegations

Individuals are encouraged to put their name to an allegation however the council accepts that individuals have the right to remain anonymous. The Council will consider any anonymous allegation received and will evaluate it accordingly. However any allegation, including those received anonymously, which relate to the wellbeing and/or welfare of a child or children or vulnerable adult will be investigated.

Concerns expressed anonymously are much less powerful and are not so likely to be effective, but they will be considered at the discretion of the council. In exercising this discretion, the following factors will be taken into account:

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

Untrue Allegations/Defamation

Whistleblowers making untrue allegations may expose themselves to actions for libel or slander which together make up the civil wrong of defamation. This is a complex

area of law. In essence a person puts themselves at risk of being sued for damages if, without justification, they publish or communicate a false statement about someone which may injure his or her reputation in the eyes of ordinary members of society. However, a whistle-blower will not generally be liable provided that they had a legal moral or social duty or felt that it was in the public interest in making the statement. A Council employee or Member is legally protected by PIDA if they make a qualifying disclosure to the Council or other certain bodies

If an allegation is made that is frivolous, malicious or made for personal gain, action may be taken against the Council officer in accordance with the disciplinary policy.

Malicious/Vexatious Allegations

If an allegation is made or a concern is raised and the whistle-blower believes it to have been in the public interest, no action will be taken against the individual raising the concern. However, where a Council employee makes malicious, or vexatious allegations, or disclosures made for personal gain, these will be considered as disciplinary offences and are likely to result in disciplinary action being taken against the employee raising the vexatious concern. Where the individual is employed by a Partner, the Partner's policies will apply.

Unfounded Allegations

Following investigation, allegations may be confirmed as unfounded. The individual, who raised the concern, will be notified of this decision and informed that the council deems the matter to be concluded and that it should not be raised again unless new evidence becomes available.

In respect of an unfounded allegation relating to a council employee, all documents accumulated through the investigation process will be held separately from any employee's personnel file, and destroyed in accordance with the council's Retention Policy. Except in the circumstances of the retention of necessary documents in respect of Child Protection issues, in which case they will be held on file as required by the relevant legislation, without precluding an individual employee's statutory rights. Where the individual is employed by a Partner, the Partner's policies will apply.

Live investigation files and evidence will be securely retained by the Compliance Team in line with the appropriate retention periods. For example, the Criminal Procedures Investigation Act 1996 sets out the duty to retain material and the length of retention time according to the circumstances of the case. Non-criminal investigation documents will be subject to the council's Retention Policy.

Closed investigation files and evidence will be securely retained by the Compliance Team in line with the appropriate retention periods (as above).

Documents will be held and used in accordance with TUPE regulations.

Support to Employees

It is recognised that raising concerns can be difficult and stressful. Advice and support is available via an individual's line manager, Departmental Human Resources (HR) Business Partner or Trade Union representative. It must be recognised that employees who are subject to investigation following concerns being raised will also be entitled to support from the same sources, although not from the same individuals. Where the individual is employed by a Partner, the Partner's policies will apply.

Individuals may also wish to discuss their concerns with a specialist organisation before making a disclosure within the workplace. Public Concern at Work (PCAW) is a registered charity offering advice to assist employees raising concerns about poor practice at work. They can be contacted at www.pcaw.co.uk.

Vested Interest

Any person or person's relative/friend who is the subject of complaint will not be involved in the handling of the complaint.

Appendix 1 Whistle Blowing Reporting Plan

Reporting concerns

As a first step, an officer or partner should normally raise concerns with their immediate manager or their manager's superior. A member should raise concerns with the Council's Monitoring Officer. However, this depends on the seriousness and sensitivity of the issues and who is involved. Concerns can also be reported to any officer listed below:

- Chief Executive
- Director of Governance
- Executive Director Strategic Resources
- Executive Director Children's Services
- Chief Internal Auditor
- Head of Human Resources

The Director of Governance is the Council's Monitoring Officer. The Monitoring Officer is a statutory whistleblower and is under a duty to present a report to Council if it appears to them that an action or proposal is, or is likely to be unlawful or which is likely to amount to maladministration.

The Executive Director Strategic Resources is responsible for the Council's financial affairs and is under a similar duty to whistle blow in relation to unlawful expenditure and/or illegal accounting practices.

The Executive Director Children's Services is responsible for the Council's provision of services to children, young people and their families.

Concerns should be raised in writing. Individuals should set out the background and history of their concerns, giving relevant names, dates and places where possible, and the reasons why they are particularly concerned about the situation. If an individual is unable to put their concern in writing, they can telephone or meet the appropriate officer to whom they decide to report the concern. **It is important that the employee makes it clear that they are raising the issues *via* the whistleblowing procedure.**

Although an employee is not expected to prove the truth of an allegation, they will need to demonstrate that there are sufficient grounds for the concern and that it is in the public interest.

In some instances it may be appropriate for an individual to ask their trade union to raise a matter on their behalf or to ask a colleague or trade union representative to accompany them when they commence the procedure.

The Audit Commission are a prescribed person under PIDA and provide a confidential public interest disclosure line for employees of councils where those employees are unable or do not wish to report the matter internally. The Audit Commission offer a whistleblowing hotline which can be contacted on 0303 444 8346.

How Peterborough City Council will respond

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

- be investigated internally;
- be referred to the Police;
- be referred to the External Auditor;
- form the subject of an independent inquiry.

(All issues will be referred to the Director of Governance for record keeping purposes).

In order to protect individuals and the Council, initial enquiries, (usually involving a meeting with the individual raising the concern), will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the council will have in mind, is the public interest.

Some concerns may be resolved simply, by agreed action or an explanation regarding the concern, without the need for further investigation.

Within ten working days of a concern being received, the person receiving the concern will write to the employees acknowledging that the concern has been received and;

- indicate how they propose to deal with the matter;
- advise whether any initial enquiries have been made;
- advise whether further investigations will take place, and if not why not;

- where possible give an estimation of how long it will take to provide a final response;

It may be necessary for the person receiving the concern to meet with the individual who is reporting the concern on more than one occasion depending on the nature of the concerns raised. Where any meeting is arranged, the person reporting the concern, if they wish, may be accompanied by a colleague or recognised Trade Union Representative. When appropriate, meetings will be arranged away from the workplace.

Further information

For further information and advice on Whistleblowing and how to raise a concern, please contact the Director of Governance.

This page is intentionally left blank

AUDIT COMMITTEE	AGENDA ITEM. 6
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member responsible:	Councillor Seaton, Resources Portfolio Holder	
Contact Officer(s):	Kim Sawyer, Director of Governance	452361

ANTI BRIBERY POLICY

RECOMMENDATIONS
FROM : Kim Sawyer, Director of Governance
Audit Committee is recommended to
<ol style="list-style-type: none"> 1. Review the attached Anti-Bribery Policy for implementation; and 2. Recommend the Policy for approval by The Cabinet Member for Resources.

1. ORIGIN OF REPORT

This report is submitted to the Committee as part of the work to ensure best practice is established within the Council's anti-fraud and corruption strategies.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The main purpose of this report is to seek the Committee's comments on the Anti-Bribery Policy and to ask the Committee to recommend the policy for adoption by the Cabinet Member for Resources.
- 2.2 This report is to be considered in accordance with its Terms of Reference 2.2.1.14 - *To monitor council policies on "raising concern at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.*

3. ANTI-BRIBERY POLICY

- 3.1 The United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. Sound systems of public accountability are vital to effective management and in maintaining public confidence. Peterborough City Council shares these high standards and is committed to protecting the public funds entrusted to it. The minimisation of losses to fraud and corruption is essential for ensuring that resources are used for their intended purpose - that of providing services to the citizens of Peterborough.
- 3.2 The public is entitled to expect the Council to conduct its affairs with integrity, honesty and openness and to demand the highest standards of conduct from those working for it. The Council is committed to preventing bribery and ensuring that a culture exists within the authority in which bribery is never acceptable.
- 3.3 The Bribery Act 2010 introduced a corporate offence of failing to prevent bribery particularly where the organisation failed to have in place adequate procedures to prevent bribery.

- 3.3 The attached policy (**Appendix A**) demonstrates this commitment to high standards of conduct and defines the key terms and responsibilities.
- 3.4 The procedures contained within the policy set out how individuals can report concerns and how the Council will respond. This policy recognises the synergy between whistleblowing and anti-bribery measures. It provides a coherent and consistent framework to enable Peterborough City Council members, officers, our partners and the wider audience to understand and implement arrangements to enable compliance.

4. CONSULTATION

Consultation has taken place between the following parties:

- Director of Governance
- Executive Director of Strategic Resources (as the designated s.151 officer); and
- Chief Internal Auditor

5. ANTICIPATED OUTCOMES

That the Council will have in place a policy which will assist in meeting its responsibilities under the Bribery Act 2010.

6. REASONS FOR RECOMMENDATIONS

The Council should have policy and procedures in place to prevent bribery and corruption either by individuals seeking to make a gain or those accepting such inducements. The Council is a commercial organisation as defined by the Bribery Act and could be liable to prosecution should we fail to have adequate safeguards in place to prevent bribery.

7. IMPLICATIONS

The Council will become more aware and will continue to consider the risks and consequences of this type of abuse. This policy along with other policies such as the Fraud and Corruption Policy will continue to highlight that fraud and corruption are unacceptable. The presumption must be about preventing corruption by designing systems to stop it happening in the first place but where it occurs, there should be an equal presumption that its perpetrators will face tough action. This can only serve to increase the standards of conduct in the Council.

8. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Bribery Act 2010

9. APPENDICES

Appendix A - Bribery Policy – To follow

Peterborough City Council

Anti-Bribery Policy

Contents

Introduction	3
What is bribery?	4
Reporting Procedures	4
How Peterborough City Council will respond	5
Further information	6
Peterborough City Council commitment.....	6
Legislation.....	7
Test of Adequacy	8
Facilitation of Payments.....	8
Public contracts and failure to prevent bribery.....	9
Members	9
Officers	9
Gifts and hospitality	9

Introduction

This policy sets out the Council's response to the Bribery Act 2010 for its employees and those of its Partners. It should also encourage individuals to feel confident in raising serious concerns by explaining how the Council will deal with any concerns raised.

Peterborough City Council is committed to preventing bribery and ensuring that a culture exists within the organisation in which bribery is never acceptable. We are committed to the highest possible standards of openness, probity and accountability.

In line with those commitments, Members, officers and those who deliver services on our behalf (our partners) are encouraged to come forward and voice any serious concerns about any aspect of the Council's work. It is recognised that certain cases will have to proceed on a confidential basis.

Those who work or operate within the organisation may often be the first to realise that there may be something wrong within the Council. However, they may not feel able to express their concerns because they feel that speaking out would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may appear to be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

This procedure should be read in conjunction with the Whistleblowing Policy. It is applicable to members, officers and partners.

This policy recognises the synergy between whistleblowing and anti-bribery measures. It also provides a coherent and consistent framework to enable Peterborough City Council members, officers and partners to understand and implement arrangements to enable compliance.

The principles of this policy apply to all members, officers (whether permanently employed or otherwise) and partners.

What is bribery?

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. [The Bribery Act 2010](#) introduced four criminal offences regarding the bribing of another person, the accepting of a bribe, the bribing of Bribery is a serious offence and any offender will face disciplinary action (within their own procedures) if there is evidence that they have been involved in this activity. Disciplinary action will be considered in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.

Reporting Procedures

As a first step, an officer or partner should normally raise concerns with their immediate manager or their manager's superior. A member should raise concerns with the Council's Monitoring Officer. However, this depends on the seriousness and sensitivity of the issues and who is involved. Concerns can also be reported to any officer listed below:

- Chief Executive
- Director of Governance (Monitoring Officer)
- Executive Director Strategic Resources (Section 151 Officer)
- Executive Director Children's Services
- Chief Internal Auditor
- Head of Human Resources

The Director of Governance is the Council's Monitoring Officer. The Monitoring Officer is a statutory whistle-blower and is under a duty to present a report to Council if it appears to them that an action or proposal is, or is likely to be unlawful or which is likely to amount to maladministration.

The Executive Director Strategic Resources is responsible for the Council's financial affairs and is under a similar duty to whistle blow in relation to unlawful expenditure and/or illegal accounting practices.

The Executive Director Children's Services is responsible for the Council's provision of services to children, young people and their families.

Concerns should be raised in writing. Individuals should set out the background and history of their concerns, giving relevant names, dates and places where possible, and the reasons why they are particularly concerned about the situation. If an individual is unable to put their concern in writing, they can telephone or meet the appropriate officer to whom they decide to report the concern. **It is important that the employee makes it clear that they are raising the issues *via* the whistleblowing procedure.**

Although an employee is not expected to prove the truth of an allegation, they will need to demonstrate that there are sufficient grounds for the concern.

In some instances it may be appropriate for an individual to ask their trade union to raise a matter on their behalf or to ask a colleague or trade union representative to accompany them when they commence the procedure.

How Peterborough City Council will respond

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

- be investigated internally;
- be referred to the Police;
- be referred to the External Auditor;
- form the subject of an independent inquiry.

(All issues will be referred to the Director of Governance for record keeping purposes).

In order to protect individuals and the Council, initial enquiries, (usually involving a meeting with the individual raising the concern), will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the council will have in mind, is the public interest.

Some concerns may be resolved simply, by agreed action or an explanation regarding the concern, without the need for further investigation.

Within ten working days of a concern being received, the person receiving the concern will write to the employees acknowledging that the concern has been received and;

- indicate how they propose to deal with the matter;
- advise whether any initial enquiries have been made;
- advise whether further investigations will take place, and if not why not;
- where possible give an estimation of how long it will take to provide a final response;

It may be necessary for the person receiving the concern to meet with the individual who is reporting the concern on more than one occasion depending on the nature of the concerns raised. Where any meeting is arranged, the person reporting the concern, if they wish, may be accompanied by a colleague or recognised Trade Union Representative. When appropriate, meetings will be arranged away from the workplace.

Further information

For further information and advice on anti-bribery and how to raise a concern, please contact the Director of Governance.

Peterborough City Council commitment

Peterborough City Council is committed to:

- Maintaining an Anti-Bribery Policy
- Making all members, officers and partners aware of their responsibilities to adhere to this policy at all times
- Providing training and/or guidance to all members, officers and partners so that they can recognise and avoid the use of bribery by themselves and others
- Encouraging members, officers and partners to be vigilant and to report any suspicions of bribery or any other wrongdoing.
- Providing them with suitable channels of communication and ensuring sensitive information is treated appropriately

- Investigating instances of alleged bribery and other wrongdoing and assisting police and other appropriate authorities in any resultant prosecution
- Taking firm action against any individual(s) involved in bribery and any other wrongdoing
- Including appropriate clauses in contracts to prevent bribery and other wrongdoing.

Legislation

This policy is to be read in addition to the Council's Whistleblowing Policy, Complaints Procedure, Grievance Procedure and Dignity at Work Procedure and aligns with the Gifts and Hospitality Procedure. Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Under the Bribery Act 2010, there are four key offences:

- Section 1 – bribing another person. This makes it an offence to offer, promise or give a bribe.
- Section 2 – accepting a bribe. It is an offence to request, agree to receive or accept a bribe.
- Section 6 – bribing a foreign official. This is a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.
- Section 7 - Failing to prevent bribery which is a corporate offence that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery. Under the Act, Peterborough City Council is considered to be a commercial organisation. Please subsection below Test of Adequacy.

An individual guilty of an offence under sections 1, 2 or 6 and convicted in a Magistrates' Court, could face imprisonment of up to 12 months and/or a fine not exceeding £5000. If convicted in a Crown Court, an individual could face imprisonment of up to 10 years and/or an unlimited fine.

Organisations are also liable to an unlimited fine if found guilty under section 7.

Test of Adequacy

Whether the Council's procedures are adequate will ultimately be a matter for the Courts to decide upon. There are **six principles** which should be applied in determining whether or not adequate procedures are in place and therefore if the Council has a defence against failing to prevent bribery.

- Proportionate procedures: the Council has procedures in place to prevent bribery by members, officers and Partners which are proportionate to the bribery risks we face and to the nature, scale and complexity of our activities.
- Top level commitment: the Corporate Management Team are committed to preventing bribery by members, officers and Partners and will foster a culture whereby bribery is never acceptable.
- Risk assessment: the Council assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by members, officers and Partners. The assessment is periodic, informed and documented. It includes financial risks and reputational damage.
- Due diligence: the Council applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the Council, in order to mitigate identified bribery risks.
- Communication including training: the Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the Council through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review: the Council monitors and reviews procedures designed to prevent bribery by Members, officers and its Partners and makes improvements where necessary

Facilitation of Payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 Regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. The Council has the discretion to exclude organisations convicted of this offence.

Members

The Member Code of Conduct requires that a member must not use or attempt to use their position as a member to confer on or secure for themselves or any other person an advantage or disadvantage. As well as the possibility of civil action and/or criminal prosecution, Members who breach this policy may be subject to investigation and if convicted of a criminal offence may be debarred from carrying out duties as a member.

Officers

In addition to the possibility of civil action and criminal prosecution, officers who breach this policy will face disciplinary action which could result in dismissal for gross misconduct. Dismissal may still be an outcome with or without civil action or criminal prosecution. Partners will be dealt with under their own disciplinary procedures.

Gifts and hospitality

In addition to the possibility of civil action and criminal prosecution, officers who breach this policy will face disciplinary action which could result in dismissal for gross misconduct. Dismissal may still be an outcome with or without civil action or criminal prosecution. Partners will be dealt with under their own disciplinary procedures.

This page is intentionally left blank

AUDIT COMMITTEE	AGENDA ITEM No.7
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor Lamb, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

FEEDBACK REPORT

1. ORIGIN OF REPORT

This is a standard report to Audit Committee which forms part of its agreed work programme.

2. PURPOSE AND REASON FOR REPORT

This standard report provides feedback on items considered or questions asked at previous meetings of the Committee. It also provides an update on any specific matters which are of interest to the Committee or where Committee have asked to be kept informed of progress.

3. APPENDICES

Appendix A - Feedback Responses

This page is intentionally left blank

APPENDIX A

AUDIT COMMITTEE: RECORD OF ACTION TAKEN

MUNICIPAL YEAR: MAY 2013 - APRIL 2014

DATE ISSUE RAISED	AGENDA ITEM / ACTION ARISING	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
4/11/2013	To provide a percentage representation against the rate of variable interest borrowing for the Council within the future Treasury Management reports.	Steven Pilsworth	This will be incorporated into the Treasury Management Strategy to be approved by Council early next year, and all future updates.	4/11/2013
4/11/2013	To make it clearer within the Treasury Management Strategy that Audit Committee would be notified if the Council's operational boundary borrowing had been exceeded, and would receive a report explaining the issues at the next meeting.	Steven Pilsworth	This will be incorporated into the Treasury Management Strategy to be approved by Council early next year.	4/11/2013
4/11/2013	Circulate to Members of the Audit Committee an outline of the key differences between the Local Authority Mortgage and the Help to Buy Schemes.	Steven Pilsworth	TBA	
4/11/2013	To provide a report to Audit Committee over the reasons why the Head of Human Resources had been in an interim post at the Council for more than 12 months.	Chief Executive/Kim Sawyer	TBA	
4/11/2013	Organise a private meeting for Members of the Audit Committee to receive an update on the solar panel matters and the Freemans building PCC legal case.	Kim Sawyer	The meeting was arranged held on 13 January 2014.	14/01/14
4/11/2013	Explore the option of utilising bus shelters as an advertisement tool for the benefit fraud campaign.	Kim Sawyer/Ben Stevenson	Draft report under construction	14/01/14

This page is intentionally left blank

AUDIT COMMITTEE	AGENDA ITEM No. 8
3 FEBRUARY 2014	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor Lamb, Chair of Audit Committee	
Contact Officer(s):	Karen Dunleavy, Governance Officer	☎ 452 233
	Steve Crabtree, Chief Internal Auditor	☎ 384 557

WORK PROGRAMME

1. ORIGIN OF REPORT

This is a standard report to Audit Committee which forms part of its agreed work programme. This standard report provides details of the Draft Work Programme for the following municipal year.

2. UPDATE

2.1 Work Programme 2013 / 2014 (Appendix A)

The Work Programme is based on previous years agendas. The programme has been refreshed throughout the year in consultation with senior officers and the Committee membership to ensure that it remains relevant and up to date. In addition, any delays in reporting issues are recorded so that they do not drop off the committee agenda.

2.2 Draft Programme 2014 / 2015 (Appendix B)

At the present moment in time, Committee dates have not yet been agreed by Council. As a result, no reference is made to these in the attached tables.

APPENDIX A

DATE: 6 JUNE 2013			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 27 March 2013	Democratic Services Karen Dunleavy	
* NEW *	Outcome of Standards Complaints under the previous regime (pre July 2012)		
Standard	Feedback Report	Democratic Services Karen Dunleavy	
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

DATE: 24 JUNE 2013			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 6 June 2013	Democratic Services Karen Dunleavy	
	Internal Audit: HoIA Opinion 2012 / 2013	Internal Audit Steve Crabtree	To receive, consider and endorse the annual report on Internal Audit activities for the year ended 31 March 2013
	Internal Audit: Review of Effectiveness	Internal Audit Steve Crabtree	To receive, consider and endorse the annual review of the effectiveness of Internal Audit for the year ended 31 March 2013 together with any associated action plan
	Draft Annual Governance Statement	Internal Audit Steve Crabtree	To receive, consider and endorse the draft Annual Governance Statement for the year ended 31 March 2013
	Budget Monitoring Report Final Outturn 2012 / 2013 and the Draft Statement of Accounts	Finance Steven Pilsworth	To receive, consider and endorse the final outturn position for the year ended 31 March 2013 and the draft Statement of Accounts
* NEW *	Invest To Save Update	Finance Steven Pilsworth	Following a Member request to External Audit to review the Invest to Save scheme, PwC will provide an update on their works
	Other Governance Reports	Governance Diane Baker	Subject to new policies needing approval
	Member Reports	Governance Diane Baker	Dependent on updates
Standard	Feedback Report	Democratic Services Karen Dunleavy	
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

DATE: 23 SEPTEMBER 2013			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 24 June 2013	Democratic Services Karen Dunleavy	
	Risk Management: Strategic Risks	Operations Kevin Dawson	To receive an update on the strategic risks for the Council
	Compliance Team Annual Report 2012 / 2013	Governance Diane Baker	To receive, consider and endorse the annual report on the investigation of fraud and irregularities for the year ended 31 March 2013
	Regulation of Investigatory Powers Act (2000): Quarterly Report 1	Governance Diane Baker	To receive an update of RIPA during the 3 months to 30 June 2013
	Audit of Statement of Accounts To Those Charged with Governance	Finance Steven Pilsworth	To receive the final Statement of Accounts for the year ended 31 March 2013 and the annual report to those charged with governance following their scrutiny by External Audit
	Other Governance Reports	Governance Diane Baker	Subject to new policies needing approval
	Member Reports	Governance Diane Baker	Dependent on updates
Standard	Feedback Report	Democratic Services Karen Dunleavy	
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

DATE: 4 NOVEMBER 2013			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 23 September 2013	Democratic Services Karen Dunleavy	
	Internal Audit: Mid Year Progress Report	Internal Audit Steve Crabtree	To receive an update on progress against the Annual Audit Plan together with details of any concerns
	Treasury Management	Finance Steven Pilsworth	To receive an update on the policy and effectiveness of treasury management
	Use of Consultants	Finance Steven Pilsworth	To receive an update on the Use of Consultants across the organisation
	Regulation of Investigatory Powers Act (2000): Quarterly Report 2	Governance Ben Stevenson	To receive an update of RIPA during the 3 months to 30 September 2013
Standard	Feedback Report	Democratic Services Karen Dunleavy	
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

OTHER POSSIBLE AGENDA ITEMS

	Governance Reports	Governance Kim Sawyer	This would cover any major changes to policies and procedures which require discussion, acceptance and approval by unions. Following their acceptance they will be referred to Audit Committee under its Terms of Reference 2.2.1.11, 2.2.1.14 and/or 2.2.1.16.
	Member Reports	Governance Kim Sawyer	Specific reports relating to the Members Code of Conduct and / or the Hearing Panel (sub-committee to the Audit Committee)

DATE: 3 FEBRUARY 2014			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 4 November 2013	Democratic Services Karen Dunleavy	
	External Audit: Report to Management	PwC	To receive and approve the External Audit report in relation to issues identified as part of their audit works
	External Audit: Annual Audit Letter	PwC	To receive and approve the External Audit report in relation to issues identified as part of their audit works
	External Audit: Grant Claims Annual Certification	PwC	To receive and approve the External Audit report in relation to issues identified as part of their audit works
* DATE CHANGE *	Whistleblowing Policy	Governance Kim Sawyer	Original policy scheduled for June 2013.
Standard	Feedback Report	Democratic Services Karen Dunleavy	
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

OTHER POSSIBLE AGENDA ITEMS

	Governance Reports	Governance Kim Sawyer	This would cover any major changes to policies and procedures which require discussion, acceptance and approval by unions. Following their acceptance they will be referred to Audit Committee under its Terms of Reference 2.2.1.11, 2.2.1.14 and/or 2.2.1.16.
	Member Reports	Governance Kim Sawyer	Specific reports relating to the Members Code of Conduct and / or the Hearing Panel (sub-committee to the Audit Committee)

DATE: 24 MARCH 2014			
		Section / Lead	Description
Standard	Apologies for Absence		
Standard	Declarations of Interest and Whipping Declarations		
Standard	Minutes of the Meeting Held on 3 February 2014	Democratic Services Karen Dunleavy	
	Risk Management: Strategic Risks	Operations Kevin Dawson	To receive an update on the strategic risks for the Council
	External Audit: Audit Plan	PwC	To receive and approve the External Audit Plan
	Internal Audit: Draft Internal Audit Plan 2014 / 2015	Internal Audit Steve Crabtree	To receive and approve the Internal Audit Plan 2014 / 2015
	Effectiveness of the Audit Committee	Internal Audit Steve Crabtree	To receive an update on the effectiveness of the Audit Committee together with an Action Plan to address any shortcomings
	Draft Annual Audit Committee Report	Democratic Services Karen Dunleavy	To receive the Draft Annual Audit Committee Report prior to submission to Council
	Regulation of Investigatory Powers Act (2000): Quarterly Report 3	Governance Kim Sawyer	To receive an update of RIPA during the 3 months to 31 December 2013
Standard	Feedback Report	Democratic Services Karen Dunleavy	Dependent on updates
Standard	Work Programme 2013 / 2014	Democratic Services Karen Dunleavy	

OTHER POSSIBLE AGENDA ITEMS

	Governance Reports	Governance Kim Sawyer	This would cover any major changes to policies and procedures which require discussion, acceptance and approval by unions. Following their acceptance they will be referred to Audit Committee under its Terms of Reference 2.2.1.11, 2.2.1.14 and/or 2.2.1.16.
	Member Reports	Governance Kim Sawyer	Specific reports relating to the Members Code of Conduct and / or the Hearing Panel (sub-committee to the Audit Committee)

APPENDIX B

DRAFT WORK PROGRAMME FOR 2014 / 2015	Summer Cycle June – July	Autumn Cycle Sept – Nov	Winter Cycle Jan – Feb	Spring Cycle March – April
INTERNAL AUDIT / EXTERNAL AUDIT ACTIVITIES (2.2.1.1 – 2.2.1.9)				
EXTERNAL AUDIT ACTIVITIES				
Annual Audit Letter			X	
Grant Claims Annual Certification			X	
Report to Management			X	
Audit Plan				X
INTERNAL AUDIT ACTIVITIES				
Head of Audit Opinion 2013 / 2014	X			
Review of Effectiveness	X			
Mid-Year Progress Report		X		
Audit Plan 2015 / 2016				X
REGULATORY FRAMEWORK (2.2.1.10 – 2.2.1.16)				
GOVERNANCE ARRANGEMENTS / BEST PRACTICE / FRAUD AND INVESTIGATIONS				
Annual Governance Statement	X	X		
Risk Management Strategy / Corporate Risks		X		X
Audit Committee Effectiveness			X	
Treasury Management		X		
Governance Policies (*)	X	X	X	X
Draft Annual Audit Committee Report				X
Annual Fraud Report 2013 / 2014	X			
Investigatory Powers Act (Progress Reports)		X	X	X

(*) Subject to changes made during year. For example Financial Regulations, Whistleblowing policy, Bribery Act.

DRAFT WORK PROGRAMME FOR 2014 / 2015	Summer Cycle June – July	Autumn Cycle Sept – Nov	Winter Cycle Jan – Feb	Spring Cycle March – April
ACCOUNTS (2.1.1.17 – 2.2.1.19)				
STATEMENT OF ACCOUNTS				
Draft Accounts	X			
Audited Accounts		X		
MEMBER STANDARDS AND HEARING PANEL (#)				
MEMBER ACTIVITIES				
Member Code of Conduct	X	X	X	X
Member Dispensations	X	X	X	X
Member Complaints	X	X	X	X

(#) Subject to procedure changes / referrals within the year

This page is intentionally left blank