

# Audit & Standards Committee

Date: **29 November 2022**

Time: **4.00pm**

Venue: **Council Chamber, Hove Town Hall**

Members: **Councillors:** Wilkinson (Chair), Hugh-Jones (Group Spokesperson), Atkinson, Meadows, Shanks, West and Yates

**Independent Persons:** Helen Aston and David Bradly

Contact: **John Peel**  
Democratic Services Officer  
01273 291058  
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Date of Publication - Monday, 21 November 2022

# AGENDA

Part One

Page

## 16 PROCEDURAL BUSINESS

- (a) **Declarations of Substitutes:** Where councillors are unable to attend a meeting, a substitute Member from the same political group may attend, speak and vote in their place for that meeting.
- (b) **Declarations of Interest:**
  - (a) Disclosable pecuniary interests;
  - (b) Any other interests required to be registered under the local code;
  - (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

- (c) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

*Note: Any item appearing in Part Two of the agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the press and public. A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls and on-line in the Constitution at part 7.1.*

## 17 MINUTES

7 - 12

To consider the minutes of the meeting held on 28 June 2022.

Contact Officer: John Peel

Tel: 01273 291058

## 18 CHAIR'S COMMUNICATIONS

## 19 CALL OVER

- (a) Items 22- 27 will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

## 20 PUBLIC INVOLVEMENT

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 23 November 2022;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 23 November 2022.

## 21 MEMBER INVOLVEMENT

13 - 16

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
  - 1) Councillor Meadows- Meetings held by the Chair
  - 2) Councillor Meadows- Minutes
- (c) **Letters:** to consider any letters;
  - 1) Councillor Meadows- Member Expenses
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

## 22 AUDIT FINDINGS REPORT 2021-22

To Follow

Report of External Audit

Contact Officer: Nigel Manvell

Tel: 01273 293104

Ward Affected: All Wards

## 23 AUDITED STATEMENT OF ACCOUNTS 2021/22

To Follow

Report of the Chief Finance Officer

Contact Officer: Jessica Laing

Ward Affected: All Wards

- 24 INTERNAL AUDIT AND COUNTER FRAUD QUARTER 1 PROGRESS REPORT 2022/23 17 - 32**
- Report of the Executive Director, Governance, People & Resources  
*Contact Officer: Carolyn Sheehan*  
*Ward Affected: All Wards*
- 25 INTERNAL AUDIT AND COUNTER FRAUD QUARTER 2 PROGRESS REPORT 2022-23 33 - 48**
- Report of the Executive Director, Governance, People & Resources  
*Contact Officer: Carolyn Sheehan*  
*Ward Affected: All Wards*
- 26 ANTI- FRAUD AND CORRUPTION STRATEGY AND FRAMEWORK 2022-24 49 - 72**
- Report of the Executive Director, Governance, People & Resources  
*Contact Officer: Carolyn Sheehan*  
*Ward Affected: All Wards*
- 27 STANDARDS UPDATE 73 - 78**
- Report of the Monitoring Officer  
*Contact Officer: Victoria Simpson Tel: 01273 294687*  
*Ward Affected: All Wards*
- 28 ITEMS REFERRED FOR COUNCIL**
- To consider items to be submitted to the 15 December 2022 Council meeting for information.
- In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting*
- 29 ITEMS FOR THE NEXT MEETING**

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### **Further information**

For further details and general enquiries about this meeting contact John Peel, (01273 291058, email [john.peel@brighton-hove.gov.uk](mailto:john.peel@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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- Do not re-enter the building until told that it is safe to do so



**Brighton & Hove City Council**

**Audit & Standards Committee**

**4.00pm 28 June 2022**

**Council Chamber, Hove Town Hall**

**Minutes**

**Present:** Councillor Wilkinson (Chair) Peltzer Dunn (Group Spokesperson), Littman, Meadows, Shanks, West and Yates

**Part One**

**1 PROCEDURAL BUSINESS**

**1a Declarations of substitutes**

1.1 Councillor Littman was present as substitute for Councillor Hugh-Jones.

**1b Declarations of interests**

1.2 There were none

**1c Exclusion of the press and public**

1.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

1.4 **RESOLVED** - That the press and public not be excluded from the meeting.

**2 MINUTES**

2.1 **RESOLVED** – That the minutes of the previous meeting held on 19 April 2022 be approved as the correct record.

**3 CHAIR'S COMMUNICATIONS**

3.1 In his Chairs Communications, the Chair paid tribute to Councillor Yates the previous Chair of the Committee.

**4 CALL OVER**

4.1 The following items on the agenda were reserved for discussion:

- Item 7: Internal Audit Annual Report and Opinion 2021-22
- Item 8: Counter Fraud Annual Report 2021-22
- Item 9: Formal Approval of the Annual Governance Statement 2021-22
- Item 11: Procurement Compliance Update
- Item 12: Standards Update
- Item 15: Audit Report on Member Expenses

4.2 The Democratic Services Officer confirmed that the items listed above had been reserved for discussion and that the following reports on the agenda with the recommendations therein had been approved and adopted:

- Item 10: External Assessment proposal

## **5 PUBLIC INVOLVEMENT**

No items were received.

## **6 MEMBER INVOLVEMENT**

No items were received.

## **7 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021-22**

7.1 The Committee considered a report of the Executive Director, Governance, People & Resources that give an opinion on Brighton and Hove City Council's control environment for the year from the 1 April 2021 to 31 March 2022.

7.2 In response to a question from Councillor Peltzer Dunn, it was explained that there were out of approximately 300 Public Sector Internal Audit Standards it was deemed that Internal Audit were partially compliant with just nine of those. That was not deemed to be significant, but it was noted that the proposed external assessment would provide independent review of that.

7.3 In response to a question from Councillor Littman, specific actions on Temporary Accommodation were not to hand but could be circulated to members of the committee after the meeting.

7.4 In response to a question from Councillor Meadows, it was clarified that no schools had been given minimal assurance, two schools had been given partial assurance and two reasonable assurance.

### **7.5 Resolved-**

- 1) That Committee note the Internal Audit Service's opinion on the Council's control environment (Annex A)
- 2) The Committee note any significant control issues that should be included in the Council's Annual Governance Statement for 2021/22



- 3) The Committee note that the Council's system for internal audit has proved effective during 2021/22

## **8 COUNTER FRAUD ANNUAL REPORT 2021-22**

- 7.6 The Committee considered a report of the Executive Director, Governance, People & Resources that provided opinion on Brighton and Hove City Council's control environment for the year from the 1 April 2021 to 31 March 2022.

- 7.7 In response to a question from Councillor West, it was confirmed that analysis of expenditure mapped against the financial value of the fraud activity prevented was something that could be included in future versions of the report.

- 7.8 In response to a question from Councillor Meadows, it was explained that in relation to the statement at 2.8.10, no payments were made to the supplier before the issue was identified so there was no financial impact to the council. In relation to 3.6, 4,000 data matches were processed, and this was on the basis of identifying the higher quality matches for review.

### **7.9 Resolved-**

- 1) That Committee note the fraud activity completed during 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

## **9 FORMAL APPROVAL OF THE ANNUAL GOVERNANCE STATEMENT 2021-2022**

- 7.1 The Committee considered a report of the Executive Director, Governance, People & Resources that provided the city council's governance arrangements and requests that the Committee approves the Annual Governance Statement (AGS) 2021-2022.

### **7.2 Resolved-**

- 1) That Audit & Standards Committee formally approve the Annual Governance Statement 2021-2022 in Appendix 1, so that the AGS may be signed by the City Council's Leader and the Chief Executive before publication alongside the City Council's Accounts.

## **10 INTERNAL AUDIT EXTERNAL ASSESSMENT PROPOSAL**

### **Resolved-**

- 1) That Committee approve the appointment of the Chartered Institute of Internal Auditors to carry out the independent external assessment of Orbis Internal Audit in accordance with Public Sector Internal Audit Standards (PSIAS).

## **11 PROCUREMENT COMPLIANCE UPDATE**

- 11.1 The Committee considered a report of the Executive Director, Governance, People & Resources that updated on progress to implement the recommendations and agreed actions emanating from the internal audit reviews (Phase 1 and 2) of compliance with Contract Standing Orders, which assigned minimal assurance.

- 11.2 In response to a question from Councillor Meadows, it was explained that with the onset of Sourcing Solutions, attempts were being made to review all contracts over £25k in value. Due to resource pressures, Sourcing Solutions had recently been asked to review contracts up to a value of £250k where mini competitions were being undertaken in accordance with national frameworks. Publishing to the Public Register was now much more under control.
- 11.3 In response to a question from Councillor Peltzer Dunn, it was clarified that all actions were compliant or in progress and monitoring of recommendations and data analysis was being comprehensively applied.
- 11.4 In response to a question from Councillor Littman, it was confirmed that all actions had a completion date of before September 2022 and ongoing monitoring would be required in line with the specific Strategic Risk.
- 11.5 In response to a question from Councillor West, it was clarified that made an estimated saving of £2.5 - £4m per annum.
- 11.6 **Resolved-**
- 1) That the Audit & Standards Committee notes the contents of this report including progress made to date and ongoing actions in response to audit recommendations detailed in Appendix 1.

## 12 STANDARDS UPDATE

- 12.1 The Committee considered a report of the Monitoring Officer that provided a quarterly update on member complaints and on Standards-related matters.
- 12.2 In response to a query from Councillor Yates, it was clarified that where there was a Police investigation into any matter, the Standards investigation would be suspended pending the outcome of the Police investigation.
- 12.3 In response to Councillor Meadows, it was acknowledged that there were a number of long-term complaints however, it was important to follow the agreed procedure for Member related complaints. The Monitoring Officer added that the number of Member related complaints was very high and it was very important that processes were followed and the process was dependent on co-operation from the various parties. One third of complaints (8 out of 25) were dealt with in the sense that there was a decision not to take any further action.
- 12.4 **Resolved-**
- 1) That Committee notes the information in this Report.

## 13 ITEMS REFERRED FOR COUNCIL

- 13.1 No items were referred to Full Council.

## 14 AUDIT REPORT ON MEMBER EXPENSES

- 15.1 The Committee considered a report of the Executive Director Executive Director Governance People & Resources that informed the Committee of the findings of the Internal Audit investigation into issues relating to expenses claims and to sought agreement to the recommendations in the report.
- 15.2 In response to questions from Councillor Yates, the Executive Director Governance People & Resources explained that the only mechanism to amend the Members Allowances scheme was through the Independent Remuneration Panel (IRP) and so this had not been included in the recommendations. Further, the Executive Director Governance People & Resources explained that the service had not operated exclusively on trust and confidence and evidence had been provided. However, it was true to say there had been on over-reliance upon trust and confidence and that was something that would be addressed as well as development of an expenses claim system that was easier to use and process.
- 15.3 In response to a question from Councillor Yates, the Executive Director Governance People & Resources agreed that the advice that had been provided to Councillor Yates as former Chair of the committee had been wrong and had been provided based on incorrect information on any discrepancies provided to him.
- 15.4 In response to a question from Councillor Yates, the Audit Manager (Counter Fraud), explained that there was no deception found in the claims looked at and where receipts had not been submitted, evidence was provided at a later date to evidence the childcare costs incurred.
- 15.5 In response to a question from Councillor Yates, the Orbis Chief Internal Auditor stated that the approach taken on the investigation would be the same as for a staff member or member of the public. The Audit report presented the facts from the investigation and the interpretation and response was a matter for the Council.
- 15.6 Councillor Meadows made extensive observations that included references to the individual's circumstances and how these were not relevant and was critical of the current processes and control environment of the council and how that had been applied in this circumstance.
- 15.7 The Chair made repeated requests to Members of the committee to avoid highly political and personalised rhetoric. The Legal Officer stated that Members debate must be confined to the subject matter of the report and not to bring allegations that exceeded the remit of the report.
- 15.8 Members then debated the report and comments were made on the validity of the claims made, effectiveness of the process controls and potential improvements to the claims system were made.
- 15.9 The Committee adjourned at 5.30pm and reconvened at 5.38pm
- 15.10 Councillor Littman moved the following amendment to recommendation 2.2 and additional recommendation 2.3 as shown in bold and strikethrough:

2.2 That Members agree the recommendations in section 5 of the report and instruct officers to implement the same **subject to amendments and addition to those recommendations as follows:**

5.7 All Members should be **supported with, and regularly reminded of**, their responsibilities to submit fully completed claim forms with supporting documentation within the relevant timeframe.

5.8 Democratic Services should ~~consider whether it is possible to~~ introduce electronic claim forms to reduce the possibility of a claim form being misplaced

**5.9 That officers are instructed to consult with the Independent Remuneration Panel (IRP) regarding extending the time limit for submitting claims to three months**

**2.3 That the Committee receive an update report as soon as reasonably possible to a future meeting.**

15.11 The Chair then put the motion to the vote that was agreed.

15.12 The Chair then put the recommendations as amended to the vote that were agreed.

15.13 **Resolved-**

1) That Committee notes the Internal Audit report into issues associated with Member expenses claims as set out in Appendix 1 to this report.

2) That Members agree the recommendations in section 5 of the report and instruct officers to implement the same subject to amendments and addition to those recommendations as follows:

5.7 All Members should be supported with, and regularly reminded of, their responsibilities to submit fully completed claim forms with supporting documentation within the relevant timeframe.

5.8 Democratic Services should introduce electronic claim forms to reduce the possibility of a claim form being misplaced

5.9 That officers are instructed to consult with the Independent Remuneration Panel (IRP) regarding extending the time limit for submitting claims to three months

3) That the Committee receive an update report as soon as reasonably possible to a future meeting.

The meeting concluded at 7.00pm

# Brighton & Hove City Council

## Audit & Standards Committee

## Agenda Item 21(b)

**Subject: Member Questions**

**Date of meeting: 29 November 2022**

The question will be answered without discussion. The person who asked the question may ask one relevant supplementary question, which shall be put and answered without discussion. The person to whom a question, or supplementary question, has been put may decline to answer it.

The following written questions have been received from Members  
This Committee:

**(1) Councillor Meadows- Meetings held by the Chair**

It has been reported in the press that on Tuesday 30th of August you held a meeting with a local group that provided you with evidence of further irregularities of Councillor expenses.

It has been further reported that following this, a preliminary investigation has been commenced into the matters raised.

Can you provide the Committee with an update on this matter, your meeting(s) with this residents' group and this investigation?

**(2) Councillor Meadows- Minutes**

Can the Chair provide an explanation as to why the minutes of the last Audit & Standards Committee meeting that were presented to the Full Council meeting on the 21st of July to accompany the item 'Audit Report on Member Expenses' did not include the contributions of either Conservative Councillor at that meeting?





**Brighton & Hove  
City Council**

**CONSERVATIVE GROUP  
Room G84, Hove Town Hall  
Norton Road, Hove BN23 3BQ**

16 November 2022

Geoff Raw  
CEO, Brighton & Hove City Council  
Hove Town Hall, Hove, East Sussex. BN3 3BQ

Dear Mr Raw,

### **TRANSPARENCY OF COUNCILLOR EXPENSES**

I am submitting the following letter under Council Procedure Rule 23.3 to be included on the agenda for the Audit & Standards Committee meeting of 29<sup>th</sup> November 2022. I am writing this letter to bring the committee's attention to serious concerns about the transparency of councillor expenses.

Over the course of the past few years, we have seen the council fail in its statutory duty to publicly provide information relating to councillor expenses in a timely manner. The Local Authorities regulations on councillor expenses states that a council must publish information "as soon as reasonably practicable after the end of a year to which a scheme relates".

This has not been happening under this Council.

- Councillor expenses were not published for 3 years between April 2018 and April 2021. At the time the council apologised for this and said that immediate steps would be taken to rectify the situation.
- This year, the problems re-emerged when expenses were not published for 5 months after the end of the financial year.

In response, the Leader of the Council has promised that expenses will be published within 2 months of the end of the financial year. However, this amounts to the same promises, does not go far enough and does not address public concerns.

Given the problems that the council has had managing this issue, would the Chair support a move to a system of monthly publication of councillor expenses, as other local authorities do, to restore the trust and confidence of the public?

Yours sincerely,

*Anne Meadows*

**Cllr Anne Meadows  
Conservative Group Spokesperson on Audit & Standards**

Conservative Group of Councillors  
Telephone: 01273 290454





# Brighton & Hove City Council

## Audit and Standards Committee

## Agenda Item 24

**Subject:** Internal Audit and Counter Fraud Quarter 1 Progress Report 2022/23

**Date of meeting:** 29<sup>th</sup> November 2022

**Report of:** Executive Director Governance, People and Resources

**Contact Officer:** Carolyn Sheehan (Audit Manager)  
Tel: 07795 335692

Russell Banks (Chief Internal Auditor)  
Tel: 07824 362739

Email: carolyn.a.sheehan@brighton-hove.gov.uk  
russell.banks@eastsussex.gov.uk

**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

1.1 The purpose of this report is to provide Members with an update on all internal audit and counter fraud activity completed during quarter 1 (2022/23), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.

### **2. Recommendations**

2.1 That the Committee note the report.

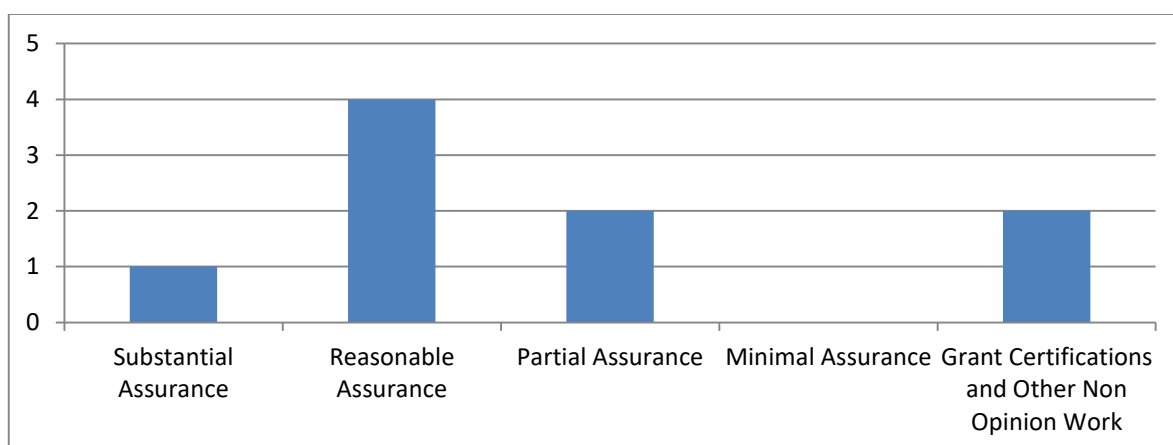
### **3. Context and background information**

3.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2022/23 which was approved by the Audit and Standards Committee on 19 April 2022.

3.2 This report provides an update on progress against that plan and includes a narrative summary of all audits that have been finalised during the quarter as well as details of counter fraud and other activity delivered during the period.

#### 4. Analysis and consideration of alternative options

- 4.1 Full details of both the audit and non-audit work delivered during quarter 1 are detailed in Appendix 1, together with our progress against our performance targets.
- 4.2 The opinions given are summarised in the chart below. There were two partial assurance, four reasonable assurance and one substantial assurance reports finalised during the quarter. In addition, there were two grant certifications, which have been included under the category “Grant Certifications and Non Opinion work”.



#### 5. Community engagement and consultation

- 5.1 The annual report has been informed by internal audit and counter fraud work carried out during the year which has included extensive engagement with officers and members.

#### 6. Conclusion

- 6.1 The Committee is asked to note the report and consider whether any further actions are required in response to the issues raised.

#### 7. Financial implications

- 7.1 It is expected that the Internal Audit and Corporate Fraud Plan 2022/23 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council's practices and procedures in support of the council's overall financial position.

Name of finance officer consulted: James Hengeveld Date consulted 04/11/22

## **8. Legal implications**

- 8.1 The Accounts and Audit Regulations 2015 require the Council to undertake 'an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards'.
- 8.2 The Council's Audit and Standards Committee has delegated authority to 'carry out independent scrutiny and examination of the Council's financial and non-financial processes, procedures and practices to the extent that they affect the Council's control environment and exposure to risk, with a view to providing assurance on the adequacy and effectiveness of [amongst other things] the work of internal and external audit'. It is therefore one of this Committee's key responsibilities to review the activities planned and completed by the Council's internal audit function, and to consider the service's performance.

Lawyer consulted: Victoria Simpson

Date consulted 1/11/22

## **9. Equalities implications**

- 9.1 There are no direct equalities implications

## **10. Sustainability implications**

- 10.1 There are no sustainability implications

## **11. Other Implications**

- 11.1 There are no other implications

## **Supporting Documentation**

### **1. Appendices**

1. Internal Audit and Counter Fraud Quarter 1 Progress Report



## APPENDIX 1

# Internal Audit and Counter Fraud Quarter 1 Progress Report 2022/23

### CONTENTS

1. Summary of Completed Audits
2. Counter Fraud and Investigation Activities
3. Action Tracking
4. Amendments to the Audit Plan
5. Internal Audit Performance

## 1. Summary of Completed Audits

### Housing Rents - Partial Assurance (2021/22)

1.1 Housing rents are collected from approximately 11,700 rented properties and 2,900 leasehold properties and are paid into the Housing Revenue Account.

1.2 The purpose of this audit was to review the rent accounting key controls, rent setting, collection, recovery, and reconciliations.

1.3 A new housing system, NEC, was introduced in July 2021 to replace OHMS and as part of this audit we reviewed whether policies and procedures had been updated to reflect this change.

1.4 We found that the introduction of the new system had presented some challenges, particularly in light of its introduction during the COVID-19 pandemic. The Implementation Team, Housing Systems Programme Team and the Business Solutions Team were still providing support and training for staff using NEC at the time of the audit.

1.5 The arrears process and timescales for escalation changed during the COVID-19 pandemic, which meant that letters to tenants had to be rewritten to reflect the changes. Notice of Seeking Possession Orders were suspended in compliance with guidance from central government. The new system was designed to work through a normal escalation process and issues arose because of this.

1.6 We found that there was some uncertainty around the calculation of direct debits in the new system and consequently we were unable to verify this. As such, there is a risk that accounts will show an under collection of rent, and an action for the service to check and quantify this has therefore been agreed.

1.7 Account Managers have reverted to using spreadsheets to manage arrears, rather than use the automated NEC process. In these circumstances, there is a risk of loss of transparency and more inconsistency in the application of the arrears policy.

1.8 Information on performance statistics has been delayed as some of the OHMS reports have not been built in NEC. It has not been easy to replicate reports from the OHMS system and more work is required to identify which are the key reports so these can be prioritised.

1.9 Finally, an action was agreed to develop a new strategy to monitor, manage and recover debts for Housing Rents.

1.10 All actions arising from our review have been agreed with management and will be subject to a formal follow-up in due course.

### **Council Tax – Reasonable Assurance (2021/22)**

1.11 This is a key financial system that includes the calculation, billing, and collection of Council Tax.

1.12 Based on the audit work carried out, we found that the Council Tax system is promptly updated with property changes and bills are issued in a timely manner. Reconciliations are completed regularly, and records reviewed were accurate. Controls are also in place to ensure that any changes to billing parameters are restricted to key officers.

1.13 At the time of the audit, collection rates were running below target, representing a risk of uncollected Council Tax. There was an overall deficit in the collection fund of £4.3m.

1.14 Whilst the main controls were found to be in place, we did identify that there was not always sufficient evidence retained to support all discounts, exemptions, and disregards, running the risk that some may not be valid. However, we did note that a programme of annual reviews of the higher risk discounts has restarted, having previously been paused during the COVID- 19 pandemic.

1.15 Finally, the need for further action was also identified in relation to improving collection rates, reducing arrears and to improving the write off procedure.

1.16 In all areas where improvement was required, appropriate actions have been agreed with management.

### **Accounts Receivable (Debtors) – Reasonable Assurance (2021/22)**

1.17 The Central Collections Team are responsible for ensuring that all income due to the Council is collected and correctly accounted for.

1.18 The objective of this audit was to provide assurance that accounts are correctly calculated, timely invoices are raised, reasonable efforts are made to recover all income due to the Council, reconciliations are completed, and aged debt and any write offs are appropriately managed.

1.19 A debt recovery project was put in place before the pandemic to address concerns relating to the recovery of aged debt. However, this project and the team have been significantly impacted by the COVID-19 pandemic and a decision was made to suspend the active recovery of debt.

1.20 At the time of the audit the volume of aged debt had not improved since the previous review and stood at 6,560 invoices and £10.2m.

1.21 We note however, that new processes and controls have been introduced through the debt recovery project and this is now having a positive impact, improving recovery, and reducing 30-to-90-day debt.

1.22 Further improvements include making debt more visible to each directorate and service area so that they can work together to improve recovery rates and considering use of external companies that specialise in debt recovery.

1.23 Further actions have been agreed to manage suspended accounts, where the debt is removed from the automatic recovery cycle, and to reduce cancellation of invoices because of duplicate interface runs.

1.24 In all cases, appropriate actions to address the above issues have been agreed as part of a formal management action plan. This will also be followed up as part of future Accounts Receivable audits.

### **IT&D Strategic and Operational Risk Management Arrangements – Reasonable Assurance (2021/22)**

1.25 IT risk management is the process to continually identify, assess, and reduce IT-related risk. With organisations placing an even greater reliance on IT and the support provided by their IT departments, the Council should adapt to address IT-related risks accordingly and ensure that ownership is appropriate.

1.26 This audit aimed to provide assurance that appropriate risk management arrangements are in place across the Council in relation to IT&D, with awareness and ownership of risks across all departments, including within IT&D.

1.27 The Change Advisory Board is a key control in the risk management process and helps IT&D operate across the three Councils in the Orbis partnership, considering different risk appetites before changes are made.

1.28 We found that robust arrangements are in place to identify risks and develop actions designed to mitigate the risk, with responsibilities clearly assigned to officers.

1.29 Further improvements could be made to ensure that there is wider access to technical risk assessment reports and technical advice, providing a more holistic approach to IT &D related risks and how they are communicated to stakeholders and managed by the respective service areas.

1.30 In all cases, the necessary actions from improvement have been agreed with management.

### **Network Access Management (Follow-up) – Reasonable Assurance (2021/22)**

1.31 Access management is the process by which 'users' network accounts, along with access to systems or data, is controlled to maintain a secure data environment and help prevent unauthorised access.



1.32 This audit followed up on the previous Access Management audit (Partial Assurance) to ensure that previously agreed actions had been implemented and the control environment has improved.

1.33 Overall, we found that four of the five actions identified in our previous review were either fully or partially implemented.

1.34 The Access Modernisation project has also made progress and aims to create a more joined-up access management process across the Council. This has included improvements in identifying responsibilities for access management. We found that new controls in place to identify leavers and inactive accounts are working effectively.

1.35 Some further actions to improve controls have been agreed with management, including developing a joint improvement plan for end-to-end access and strengthening the verification process for new accounts.

### **Post Brexit Information Governance Audit – Substantial Assurance (2021/22)**

1.36 Following the UK withdrawal from the European Union in January 2020, there was a transition period to 31<sup>st</sup> December 2020, where the UK remained subject to EU laws. It was expected that, following this transition, laws could be changed and some of these may relate to information governance.

1.37 This audit sought to provide assurance that Council data is being stored appropriately and in line with relevant legislation, following the Brexit transition period.

1.38 We found that whilst no changes to information governance arrangements have yet been required, controls are in place to identify changes to regulations and any action needed to ensure that the Council is compliant with any new laws.

### **Schools**

1.39 We have a standard audit programme in place for all school audits, with the scope of our work designed to provide assurance over key controls operating within schools. The objectives of our work are to ensure that:

- Governance structures are in place and operate to ensure there was independent oversight and challenge by the Governing Body;
- Decision making is transparent, well documented, and free from bias;
- The school is able to operate within its budget through effective financial planning;

- Unauthorised or inappropriate people do not have access to pupils, systems or the site;
- Staff are paid in accordance with the schools pay policy;
- Expenditure is controlled and funds used for an educational purpose;
- All unofficial funds are held securely and used in accordance with their agreed purpose; and
- Security arrangements keep data and assets secure and are in accordance with data protection legislation.

1.40 At the time of writing, school audits continue to be undertaken under remote working arrangements.

1.41 One school audit was delivered in quarter 1. The table below summarise our findings together with the final level of assurance given.

Name of School	Audit Opinion	Areas Requiring Improvement
Downs View School – Woodingdean, Brighton	Partial Assurance	<ul style="list-style-type: none"> <li>• The school should adhere to the statutory regulations regarding the publication of Governors' updated declaration of interest on the school's website.</li> <li>• The PE &amp; Sports Premium strategy should be published on the school's website as per government regulations.</li> <li>• The Headteacher should review and approve the monthly payroll to provide oversight and ensure accuracy of payments.</li> <li>• The school fund needs to be managed adequately, audited annually in accordance with the school fund Terms of Reference and Governors need to have greater oversight of the fund.</li> </ul>

1.42 We aim to undertake follow-up audits at all schools with Minimal and most schools with Partial Assurance opinions.

1.43 The core financial role of the LA is to set and monitor a local framework including provision of budgetary information, provision of a financial oversight and ultimately intervening where schools are causing financial concerns. Schools (the governing body and the Headteacher) are required to manage their delegated budget effectively ensuring the school meets all its statutory obligations, and through the Headteacher comply with the LA's Financial Regulations and Standing Orders.

## **EU Grant – Blueprint for a Circular Economy (Claim 4)**

1.44 This is an EU project focussing on helping the Council to implement a circular economy. The total value of the project is EUR 402,322, with EUR 277,602 funded by the European Union. This was the fourth claim on this project.

1.45 No significant issues were identified in the grant certification.

## **DHSC Grant - Adult Weight Management Grant**

1.46 This is a new ringfenced grant available to local authorities from the Department of Health and Social Care to support the commissioning of adult behavioural weight management services. The amount of £99,487 was provided to the Council for 2021-22.

1.47 No significant issues were identified in the grant certification.

## **2. Proactive Counter Fraud Work**

### **Counter Fraud Activity**

2.1 Throughout the year, we are continuing to liaise with the services to ensure that matches from the National Fraud Initiative are being reviewed and processed and we continue to monitor intel alerts and share information with relevant services when appropriate.

### **Summary of Completed Investigations**

2.2 There were no completed investigations to report on for this quarter. However, advice was provided to service management/Human Resources in two employee cases referred to Internal Audit, and work continues on five active cases.

### **Adult Social Care**

2.2 The team continue to support the Adult Social Care team with investigating a number of allegations of deprivation of capital and potential false statements to obtain direct payments.

### **Housing Tenancy & Local Taxation**

2.3 In addition to the above, a key focus area remains housing tenancy fraud and Local Taxation.

### 3. Action Tracking

3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. As at the end of quarter 1, 94.7% of high priority actions due had been implemented.

3.2 There were two high priority actions which were overdue at the end of the quarter, however the service has recently communicated that both actions were completed at the start of quarter 2. Details of these are provided below.

Details of Audit Issue	Dir.	Due date	Revised date	Agreed Action
Temporary Accommodation Management of arrears for former tenancies	HNC	30.09.21	07.05.22 Implemented July 2022	There should be a system in place to identify and recover all debts, including those relating to former tenancies.  Former tenancy accounts should be reviewed to identify where amounts are deemed to be recoverable, and then either pursued where appropriate or written off.
Temporary Accommodation Management of arrears for Emergency Accommodation	HNC	30.09.21	07.05.22 Implemented July 2022	There should be a system in place to identify and recover all debts, including those relating to Emergency Accommodation.  Prior to the transfer of accounts to NPS, both current and former accounts should be reviewed to identify where amounts are deemed to be recoverable, and then either pursued where appropriate or written off.

3.3 A follow-up audit of Temporary Accommodation is planned for later in the year and this will review the issues identified in the previous audit report and review the implementation of actions to mitigate risks and improve the control environment.

3.4 A number of high priority actions have had their implementation deadlines extended, in agreement with management. Where the revised deadlines are not met, these will be reported to the next meeting of the Audit & Standards Committee.

#### 4. Amendments to the Audit Plan

4.1 In accordance with proper professional practice, the Internal Audit plan for the year has been kept under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management the following reviews have been added to the audit plan so far this year:

Planned Audit	Rationale for Addition
Highways Contract Management	This audit was included as part of a response to concerns raised by a previous whistleblowing allegation and will seek to review arrangements against the agreed contract framework, including job specifications and use of materials
Test and Trace Support Payment Grant	This grant was allocated to the Council to support financially vulnerable people who were required to self-isolate due to a COVID-19 infection. The grant expenditure requires certification by Internal Audit.

4.2 In order to allow these additional audits to take place, the following audits have been removed or deferred from the audit plan and, where appropriate, will be considered for inclusion in future audit plans as part of the overall risk assessment completed during the annual audit planning process. These changes have been made on the basis of risk prioritisation and/or as a result of developments within the service areas concerned requiring a rescheduling of audits:

- Early Help Services.
- Information Governance (Subject Access Request and Freedom of Information Reporting Arrangements).

#### 5. Internal Audit Performance

5.1 In addition to the annual assessment of internal audit effectiveness against Public Sector Internal Audit Standards (PSIAS), the performance of the service is monitored on an ongoing basis against a set of agreed key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	<b>G</b>	2022/23 Audit Plan approved by Audit & Standards Committee on 19 April 2022
	Annual Audit Report and Opinion	By end July	<b>G</b>	2021/22 Annual Report and Opinion approved by Audit Committee on 28 June 2022
	Customer Satisfaction Levels	90% satisfied	<b>G</b>	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	25%	<b>G</b>	24%
Compliance with Professional Standards	Public Sector Internal Audit Standards	Conforms	<b>G</b>	<p>January 2018 – External assessment by the South-West Audit Partnership gave an opinion of ‘Generally Conforms’ – the highest of three possible rankings</p> <p>Apr 2022 - Updated self-assessment against the standards within the PSIAS underway and preparations for the full independent external assessment in progress.</p> <p>June 2022 – Internal quality review identified no major areas of non-conformance.</p>
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act	Conforms	<b>G</b>	No evidence of non-compliance identified
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	95% for high priority agreed actions	<b>A</b>	94.7% for high priority agreed actions (see above)

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Our staff	Professionally Qualified/Accredited (Includes part-qualified staff and those undertaking professional training)	80%	<b>G</b>	91%

#### Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.





# Brighton & Hove City Council

## Audit and Standards Committee

## Agenda Item 25

**Subject:** Internal Audit and Counter Fraud Quarter 2 Progress Report 2022/23

**Date of meeting:** 29<sup>th</sup> November 2022

**Report of:** Executive Director Governance, People and Resources

**Contact Officer:** Carolyn Sheehan (Audit Manager)  
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**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

1.1 The purpose of this report is to provide Members with an update on all internal audit and counter fraud activity completed during quarter 2 (2022/23), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.

### **2. Recommendations**

2.1 That the Committee note the report.

### **3. Context and background information**

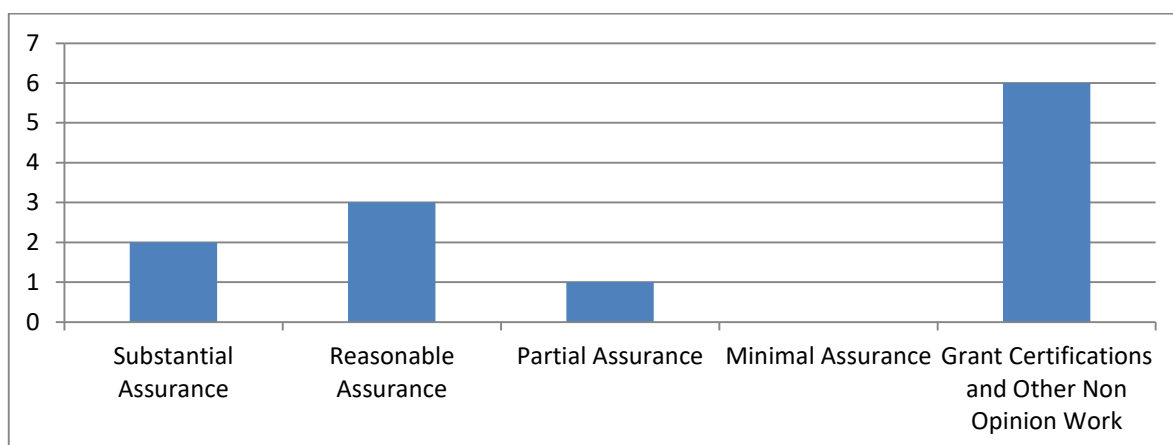
3.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2022/23 which was approved by the Audit and Standards Committee on 19 April 2022.

3.2 This report provides an update on progress against that plan and includes a narrative summary of all audits that have been finalised during the quarter as well as details of counter fraud and other activity delivered during the period.

### **4. Analysis and consideration of alternative options**

4.1 Full details of both the audit and non-audit work delivered during quarter 2 are detailed in Appendix 1, together with our progress against our performance targets.

- 4.2 The opinions given are summarised in the chart below. There was one partial assurance, three reasonable assurance and two substantial assurance reports finalised during the quarter. In addition, there were six grant certifications, which have been included under the category “Grant Certifications and Non Opinion work”. It is worth highlighting that there has been additional demand this year on Internal Audit to complete certification work for grant funding provided to the Council to support residents and local businesses from the impact of the Covid-19 pandemic.



## 5. Community engagement and consultation

- 5.1 The annual report has been informed by internal audit and counter fraud work carried out during the year which has included extensive engagement with officers and members.

## 6. Conclusion

- 6.1 The Committee is asked to note the report and consider any further actions required in response to the issues raised.

## 7. Financial implications

- 7.1 It is expected that the Internal Audit and Corporate Fraud Plan 2022/23 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council’s practices and procedures in support of the council’s overall financial position.

Name of finance officer consulted: James Hengeveld Date consulted 04/11/22:

## 8. Legal implications

- 8.1 The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk

management, control and governance processes, taking into account Public Sector Internal Audit Standards.

- 8.2 The Council's Audit and Standards Committee has delegated authority to 'carry out independent scrutiny and examination of the Council's financial and non-financial processes, procedures and practices to the extent that they affect the Council's control environment and exposure to risk, with a view to providing assurance on the adequacy and effectiveness of [amongst other things] the work of internal and external audit'. It is therefore one of this Committee's key responsibilities to review the activities planned and completed by the Council's internal audit function, and to consider the service's performance.

Name of lawyer consulted: Victoria Simpson Date consulted 01.11.22

## **9. Equalities implications**

- 9.1 There are no direct equalities implications.

## **10. Sustainability implications**

- 10.1 There are no sustainability implications.

## **11. Other Implications**

- 11.1 There are no other implications.

## **Supporting Documentation**

### **1. Appendices**

1. Internal Audit and Counter Fraud Quarter 2 Progress Report.



# Internal Audit and Counter Fraud

## Quarter 2 Progress Report 2022/23

### CONTENTS

1. Summary of Completed Audits
2. Counter Fraud and Investigation Activities
3. Action Tracking
4. Amendments to the Audit Plan
5. Internal Audit Performance

## 1. Summary of Completed Audits

### Health and Safety - Partial Assurance

1.1 The Council has a statutory duty to secure, so far as reasonably practicable, the health and safety of employees and others who may be affected by the Council's activities. The Health and Safety Executive (HSE) has developed a framework (HSG65), to help organisations understand the actions they may need to take to comply with legislation.

1.2 The purpose of this audit was to provide independent assurance on the adequacy of the governance and controls in place to manage health and safety across the Council.

1.3 In providing an audit opinion of Partial Assurance, we found that further improvements are required to ensure that the Health and Safety processes and controls are robust. These include the following:

- Developing and approving a formal Health and Safety Improvement Plan and tracking its performance;
- Developing corporate key performance indicators for health and safety that are regularly measured and reported;
- Reviewing, updating, and communicating key information (including responsibilities and key contacts), guidance and mandatory training for staff; and,
- Reinstating regular formal reporting to members on health and safety matters.

1.4 Following the audit, we formally agreed 8 actions with management to address the issues highlighted in the report, as follows:

- The Executive Leadership Team will review and approve the Health and Safety Improvement Plan and performance will be tracked via the Performance Management Framework;
- Key performance indicators will be developed and regularly reported;
- All documentation and guidance will be risk profiled and reviewed as prioritised or where there is legislative change;
- Health and safety competencies will be aligned to role responsibilities and will inform future training;
- Communication pathways will be reviewed as part of the improvement plan;
- The online incident reporting system will be reviewed;
- Directorate Health and Safety policies will set out the escalation process for serious incidents; and,
- Health and safety annual reports to members will recommence.

1.5 For all Partial Assurance audits, we will plan for a formal follow-up review to report whether the agreed actions are implemented and have addressed the issues raised.

### **Payroll – Reasonable Assurance (2021/22)**

1.6 This is a key financial system and expenditure on staff accounts for a significant portion of the Council's budget. It is therefore essential that effective controls are in place to ensure the integrity and accuracy of the system.

1.7 The purpose of this audit was to provide assurance that payments (including temporary payments) to staff are genuine, calculated accurately, paid on time, and are appropriately authorised. We concluded an opinion of Reasonable Assurance over the controls in place.

1.8 Our testing showed that controls over starters, leavers, and changes to pay were operating as expected. We also found that appropriate segregation of duties and authorisation is in place for BACS payments.

1.9 At the time of the audit, capacity issues within the service meant that officers were unable to provide us with all of the requested information and as a result, we were unable to provide assurance that salary overpayments are being processed correctly. In addition, we were also not provided with evidence that the service is completing checklists of payslips verified each month. These areas will be reviewed in the next planned audit of Payroll.

1.10 Whilst we were able to provide Reasonable Assurance, some opportunities for further improvement were found during the audit, these included:

- The need to clear the significant backlog of work in the team's email inbox;
- Addressing a number of historical variances and queries from payments made to third parties (HMRC, LGPS & Unions) that remain outstanding;
- Reviewing and resolving a number of historical cases where the payroll system and general ledger do not match; and,
- Ensuring that line managers are adequately checking mileage claims, particularly to confirm that staff are licenced and insured.

1.11 Appropriate actions to address all of the above areas have been agreed with management, as part of a formal action plan.

### **Care Payments – Reasonable Assurance (2021/22)**

1.12 This audit was undertaken to obtain assurance on the operation of key controls in two social care payment systems, fostering (in-house and independent placements) and residential care. Home Care was excluded from this review and has been covered in previous audits.

1.13 We concluded an opinion of Reasonable Assurance over the controls in place as we found that most controls were in place and operating as expected. Payments made were in accordance with pay rates and approved care plans.

1.14 Some opportunities for further improvement were identified, and included the following:

- Standardising the processes for setting up and paying providers for shared funding care packages with the Clinical Commissioning Groups (CCG) to help ensure prompt payment;
- Strengthening authorisation controls within the Specialist Community Disability Service to ensure invoices agree to an approved care plan before payment; and,
- Reviewing and improving authorisation controls within the payment function of Care First for officers in Business Operations.

1.15 Following the audit, a formal action plan to implement further improvements was agreed with management.

### **Revenue Budget Management – Reasonable Assurance (2021/22)**

1.16 Budget management processes are a key control to ensure that the Council aligns available financial resources to corporate priorities. There is increasing budget pressure on the Council which makes the budget setting process challenging.

1.17 The purpose of the audit was to provide assurance that budgets are accurately set on the available information at the time, approved within the agreed timescales, and that appropriate budget monitoring takes place that highlights variances and pressures so effective remedial action can be taken. The audit also looked at the progress of planned savings target of £10.687m for 2021/22.

1.18 We concluded an opinion of Reasonable Assurance. Whilst controls are generally good, we found that further improvements could be made and some of the issues highlighted are repeated from previous audits, these included;

- Increased focus on income variances within budget monitoring and considering appropriate mitigations;
- Developing a consistent approach to retaining supporting documentation for virements; and,
- Reviewing and updating training and guidance provided to staff.

1.19 Appropriate actions have been agreed with management in a formal action plan.

### **Risk Management – Substantial Assurance**

1.20 Risk management is a process that facilitates the identification, understanding and management of risks that the Council and individual services face. The Council uses risk management software for strategic risks using the three lines of defence model. Directorate risks are recorded locally by directorates as agreed by the Executive Leadership Team.



1.21 Based on the work carried out, we have been able to provide substantial assurance over the adequacy and effectiveness of risk management arrangements.

1.22 We found that the risk management process following the Risk Management Framework was robust and managers were well sighted on strategic and directorate risk. New emerging risks are identified and there is an appropriate escalation process in place. Members receive detailed reports at regular intervals.

1.23 During the audit we identified with management some opportunities to improve the process further, and these included:

- Formally reviewing and approving the Risk Management Framework/Policy with the Executive Leadership Team annually;
- Developing a statement on the Council's risk appetite; and,
- Ensuring that all mitigating actions on directorate risk registers have target implementation dates.

1.24 Formal actions were agreed with management in relation to all of the above areas.

### **Treasury Management – Substantial Assurance**

1.25 Treasury management is a key financial system and refers to the management of the Council's cash flows, borrowing and investments and their associated risks.

1.26 The audit sought to provide assurance that adequate controls and procedures are in place to safeguard funds and deliver the approved strategy. This included a review of cash flow forecasting, segregation of duties, financial investments and borrowings and the use of treasury advisors.

1.27 We concluded Substantial Assurance for Treasury Management as we found that the expected controls were in place and operating effectively.

1.28 We found that clear guidance is provided on key Treasury Management activities and performance against the strategy is monitored and reported to the Policy and Resources Committee. Our sample testing showed that investments and borrowings are made in line with the strategy and appropriately reviewed and authorised.

1.29 We were able to observe that a process is in place to monitor all interest and principal repayments to ensure they are appropriately authorised and made on time. Testing also showed that regular independent reconciliations are completed by officers.

1.30 No issues or actions were identified during this audit review.

## Schools

1.31 We have a standard audit programme in place for all school audits, with the scope of our work designed to provide assurance over key controls operating within schools. The objectives of our work are to ensure that:

- Governance structures are in place and operate to ensure there was independent oversight and challenge by the Governing Body;
- Decision making is transparent, well documented, and free from bias;
- The school is able to operate within its budget through effective financial planning;
- Unauthorised or inappropriate people do not have access to pupils, systems, or the site;
- Staff are paid in accordance with the schools pay policy;
- Expenditure is controlled and funds used for an educational purpose;
- All unofficial funds are held securely and used in accordance with their agreed purpose; and,
- Security arrangements keep data and assets secure and are in accordance with data protection legislation.

1.32 At the time of writing, school audits continue to be undertaken under remote working arrangements.

1.33 No school audits were finalised in quarter 2, but one is in progress at the time of writing and will be reported in the Q3 progress report.

1.34 The core financial role of the LA is to set and monitor a local framework including provision of budgetary information, provision of a financial oversight and ultimately intervening where schools are causing financial concerns. Schools (the governing body and the Headteacher) are required to manage their delegated budget effectively ensuring the school meets all its statutory obligations, and through the Headteacher comply with the LA's Financial Regulations and Standing Orders.

## EU Grant – Solarise (Claim 8)

1.35 This is a European Union (EU) Interreg project that requires grant certification. The full title of the project is 'Solar Adoption Rise in the 2 Seas'. The total value of the project is approximately EUR 320,686, with 60% funded by the EU. The funding has been used to support solar innovation projects at three council housing sites. This was the eighth claim on this project and the final claim for the project is expected later this financial year.

1.36 No significant issues were identified in the grant certification.

### **PHE – SOGU Universal Drug Treatment Grant**

1.37 This is a new ringfenced revenue funding available to local authorities from Public Health England (PHE) for additional drug treatment to support crime and harm reduction activity. The amount of £519,103 was provided to the Council for 2021-22. The grant expenditure requires certification by Internal Audit.

1.38 No significant issues were identified in the grant certification.

### **DHSC Grant – Contain Outbreak Management Fund**

1.39 This is a Covid-19 grant available to local authorities from the Department of Health and Social Care (DHSC) to support proactive containment and intervention measures. The amount of £8,885,584 was provided to the Council for 2020-21 and 2021-22. The grant expenditure requires certification by Internal Audit.

1.40 No significant issues were identified in the grant certification.

### **DHSC Grant – Test and Trace**

1.41 This is a Covid-19 grant available to local authorities from the DHSC to support mitigation against the management of local outbreaks. The amount of £1,862,523 was provided to the Council for 2020-21. The grant expenditure requires certification by Internal Audit.

1.42 No significant issues were identified in the grant certification.

### **DHSC Grant – Test and Trace Support Payment**

1.43 This is a Covid-19 grant available to local authorities from the DHSC. This grant was allocated to support financially vulnerable people who were required to self-isolate due to a COVID-19 infection. The amount of £2,942,540 was provided to the Council for 2020-21 and 2021-22. There was an underspend of £542,526 which was repaid to the funding authority. The grant expenditure requires certification by Internal Audit.

1.44 This was an addition to the audit plan as reported in the Q1 progress report.

1.45 No significant issues were identified in the grant certification.

### **DfT Grant – Bus Subsidy Transport (Revenue)**

1.46 This is a ringfenced grant available to local authorities from the Department of Transport (DfT) to support the improvement of local bus services. The grant replaces the Bus Subsidy Operators Grant. The

amount of £172,990 was provided to the Council for 2021-22. The grant expenditure requires certification by Internal Audit.

1.47 No significant issues were identified in the grant certification.

## 2. Proactive Counter Fraud Work

### Counter Fraud Activity

2.1 Internal Audit are currently working with services to ensure that the relevant data extracts are uploaded for the 2022 National Fraud Initiative (NFI) data matching exercise. The matches from the exercise will be available to review from 26 January 2023. The team continue to monitor intel alerts and share information with relevant services when appropriate.

### Summary of Completed Investigations

2.2 There was one completed investigation to report on for this quarter. Advice was also provided to service management/Human Resources in three other cases referred to Internal Audit.

#### Corruption Allegation

2.3 Advice was provided following an allegation from a service-user that adaptations completed on their property in 2015 were sub-standard and that Council officers had received unauthorised payments from the contractor. The review found no evidence to substantiate the allegation of wrongdoing and due to the historical nature of the allegation no further action was taken by Internal Audit. However, the service was advised to conduct a desktop review of work orders and completion statements.

#### False Representation

2.4 Advice was provided to the Parking Team following concerns of abuse of a 'My Account' by two residents when purchasing Visitor Parking Permits. The matter was subsequently managed by Parking and IT&D, and no further action was required by Internal Audit.

#### Misconduct

2.5 Advice was provided following concerns regarding misconduct by a member of school staff. HR colleagues and a Chair of Governors contacted Internal Audit seeking advice regarding the whistleblowing process and whilst advice was provided, but specific nature of the concerns did not fall within the remit of Internal Audit.

2.6 Following concerns being raised regarding covert surveillance by a member of staff, advice was also provided to a service relating to the legality of surveillance and the requirements of the Regulatory Investigatory Powers Act.

Adult Social Care

2.7 The team continue to support the Adult Social Care team with investigating a number of allegations of deprivation of capital and potential false statements to obtain direct payments.

Housing Tenancy & Local Taxation

2.7 In addition to the above, a key focus area remains housing tenancy fraud and Local Taxation.

**3. Action Tracking**

3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. As at the end of quarter 2, 100 % of high priority actions due have been confirmed as implemented by management.

3.2 A number of high priority actions have had their implementation deadlines extended, in agreement with management. Where the revised deadlines are not met, these will be reported to the next meeting of the Audit & Standards Committee.

**4. Amendments to the Audit Plan**

4.1 In accordance with proper professional practice, the Internal Audit plan for the year has been kept under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management the following grant certification has been added to the audit plan this quarter:

Planned Audit	Rationale for Addition
SOGU Universal Drug Treatment Grant	This grant was allocated to the Council to provide additional drug treatment to support crime and harm reduction activity. The grant expenditure requires certification by Internal Audit.

4.2 For this additional review contingency days, included in the agreed audit plan, have been used.

## 5. Internal Audit Performance

5.1 In addition to the annual assessment of internal audit effectiveness against Public Sector Internal Audit Standards (PSIAS), the performance of the service is monitored on an ongoing basis against a set of agreed key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	<b>G</b>	2022/23 Audit Plan approved by Audit & Standards Committee on 19 April 2022
	Annual Audit Report and Opinion	By end July	<b>G</b>	2021/22 Annual Report and Opinion approved by Audit Committee on 28 June 2022
	Customer Satisfaction Levels	90% satisfied	<b>G</b>	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	45%	<b>G</b>	49%
Compliance with Professional Standards	Public Sector Internal Audit Standards	Conforms	<b>G</b>	<p>January 2018 – External assessment by the South-West Audit Partnership gave an opinion of ‘Generally Conforms’ – the highest of three possible rankings</p> <p>Apr 2022 - Updated self-assessment against the standards within the PSIAS underway and preparations for the full independent external assessment in progress.</p> <p>June 2022 – Internal quality review identified no major areas of non-conformance.</p>
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act	Conforms	<b>G</b>	No evidence of non-compliance identified

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	95% for high priority agreed actions	<b>G</b>	100% for high priority agreed actions (see above)
Our staff	Professionally Qualified/Accredited (Includes part-qualified staff and those undertaking professional training)	80%	<b>G</b>	91%

### Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.





# Brighton & Hove City Council

## Audit & Standards Committee

## Agenda Item 26

**Subject:** Anti-Fraud and Corruption Strategy and Framework

**Date of meeting:** 29<sup>th</sup> November 2022

**Report of:** Executive Director Governance People & Resources

**Contact Officer:** Name: Simon White, Audit Manager Counter Fraud  
Tel: 07779 45501  
Email: simon.white@surreycc.gov.uk

Russell Banks (Chief Internal Auditor)  
Tel: 07824 362739  
Email: russell.banks@eastsussex.gov.uk

**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

1.1 This report proposes that an updated Anti-Fraud and Corruption Strategy and Framework be approved. It summarises key amendments made to the current Strategy, which has been in place since 2019.

### **2. Recommendations**

2.1 That the Committee approve the Council's Anti-Fraud and Corruption Strategy and Framework attached as Appendix 1.

### **3. Context and background information**

3.1 This anti-fraud and corruption fraud strategy is aligned to 'Fighting Fraud & Corruption Locally' (FFCL), the Local Government Counter Fraud and Corruption Strategy for the 2020s, which provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. The previous two FFCL strategies focused upon pillars of activity, or strategic objectives, where the Council concentrated its counter-fraud efforts. These were 'acknowledge', 'prevent' and 'pursue'. The FFCL strategy 2020 has now been expanded to include two additional areas of activity that underpin tenets of those pillars; 'govern' and 'protect'.

3.2 'Protect' is a new overarching responsibility to protect the public from fraud. 'Govern' is added as a new foundation of the Strategy, which sets out that those who are charged with governance, support the activity by ensuring that there are robust arrangements in place and that executive support exists to ensure that anti-fraud, bribery and corruption measures are embedded throughout the organisation.

3.3 The amendments made to the BHCC Strategy include the following:

- Aligning the pillars of the strategy to FFCL (addition of Govern and Protect);
- An updated table summarising the activities required to achieve the strategic objectives included within the Strategy document under the heading 'Action Plan';
- An introductory statement reinforcing leadership support for counter fraud measures (in line with FFCL).

#### **4. Analysis and consideration of alternative options**

4.1 The amendments set out above strengthen the Council's compliance with best practice and provide top-down support for the approach taken to fraud and corruption through the addition of the covering statement from the CEO and Leader.

#### **5. Community engagement and consultation**

5.1 None

#### **6. Conclusion**

6.1 The Committee is asked to note the report.

#### **7. Financial implications**

7.1 There are no direct financial implications arising from the recommendations of this report. Counter Fraud activities are delivered within existing budgetary resources.

Name of finance officer consulted: James Hengeveld Date consulted  
04/11/22

#### **8. Legal implications**

8.1 The Audit & Standards Committee's delegated powers include specific authority to consider and approve the Council's anti-fraud and corruption arrangements. It is therefore the correct body to receive this Report and to approve this Strategy and Framework.

Lawyer consulted: Victoria Simpson Date consulted 1.11.22

#### **9. Equalities implications**

9.1 There are no direct equalities implications.

#### **10. Sustainability implications**

10.1 There are no direct sustainability implications.

## **11. Other Implications**

11.1 None

### **Supporting Documentation**

#### **1. Appendices**

1. Anti-Fraud and Corruption Strategy and Framework.



# BHCC Anti-Fraud and Corruption Strategy and Framework 2022 - 2024

## Statement on Fraud & Corruption by Geoff Raw, Chief Executive & Phélim Mac Cafferty, Leader of the Council

*Brighton & Hove City Council are committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour. We recognise that fraud against the Council harms the individuals, communities and businesses of Brighton & Hove and for that reason, fraud, bribery and corruption against the Council will not be tolerated, and all such occurrences will be investigated.*

*We fully support the investigation of allegations of fraud, the continued development of a robust anti-fraud culture and framework within the Council, and a strong stance being taken where fraud is found.*

*The diverse nature of services provided by the Council mean that there are many areas where we could be a target for fraud. We will ensure we understand the main fraud risks we face and set out how we protect against them in our fraud risk registers.*

*With your support, we will strive to ensure that we have robust processes in place to help prevent the risk of fraud, and that we do not forget the risk of fraud in our drive to improve efficiency in our services.*

## **Introduction**

The public is entitled to expect the Council to conduct its business with integrity, honesty and openness and demand the highest standards of ethical conduct from those working for and with it. The Council takes the threat of fraud and corruption and its statutory duty to protect the public funds it administers seriously, and has allocated specific resource to focus on coordinating its approach to protecting its assets and finances from fraud, corruption, and other wrongdoing. The Council expects the highest ethical and legal standards from its members, officers, contractors and agents carrying out business on its behalf.

It is essential that it protects the public purse and ensures that Council funds are used only for their intended purpose: to support and deliver services to our community. As such the Council maintains a zero-tolerance approach to fraud and corruption whether it is attempted from outside the Council or within.

It is an expectation that where employees have workplace concerns, or suspect wrongdoing, that this is raised through appropriate channels. All allegations relating to potential fraud, financial maladministration, conflicts of interest, breach of confidentiality, improper use of resources, ICT misuse or any other forms of financial irregularity should be reported to Internal Audit, who will take appropriate action.

The strategy forms part of the Council's counter fraud framework, a collection of interrelated policies and procedures including the Whistleblowing Policy, Anti-Money Laundering Policy, Sanctions Policy, Employee Code of Conduct, and Financial Regulations. The framework includes guidance on types of fraud and corruption, how to report concerns, and the investigation process. This strategy and framework set out the Council's commitment to preventing, detecting and deterring fraud and corruption to ensure public funds are used for their intended purposes.

## **Strategic approach**

To fulfil the Council's Counter Fraud Strategy and Framework 2022 - 2024, the authority must ensure that fraud, bribery, corruption, and misappropriation is minimised. Every pound lost to fraud and corruption is a reduction in resources and negatively influences the authorities' ability to deliver its objectives.

The Council has reviewed its arrangements in line with the Fighting Fraud and Corruption Locally Strategy (2020) – the Local Government blueprint for tackling fraud in Local Government. The strategy outlines four strategic principles for effective fraud management, together with the overarching principle of 'Protect':



## Action Plan

What we will do against each of these strategic principals is set out in the following table.

Our principles	What we will do
<b>Govern</b>	<ul style="list-style-type: none"> <li>• Ensure that there is full support from the top of the organisation and throughout, for the robust investigation into any allegations of fraud, bribery, corruption, or wrongdoing;</li> <li>• Ensure that our Zero Tolerance culture is embedded thought the organisation;</li> <li>• Promote our Whistleblowing policy to both employees and those external to the organisation;</li> <li>• Report instances of fraud and corruption to Audit Committee, who support officers in their work to prevent, detect and investigate fraud and corruption.</li> </ul>
<b>Acknowledge</b>	<ul style="list-style-type: none"> <li>• Acknowledge and understand fraud risks;</li> <li>• Commit the right support to tackle fraud and corruption;</li> <li>• Conduct and maintain a strategic fraud risk assessment for the Council;</li> <li>• Develop and maintain a strong framework of internal controls;</li> <li>• Commit support and resources to tackling fraud and corruption;</li> <li>• Demonstrate a robust counter fraud response;</li> <li>• Communicate the risks to those charged with Governance.</li> </ul>
<b>Prevent</b>	<ul style="list-style-type: none"> <li>• Develop and maintain a robust and effective anti-fraud culture;</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensure that the standards in public life adopted are set out clearly in the Council's policies and effectively communicated;</li> <li>• Conduct employee and third-party due diligence;</li> <li>• Make the best use of information and technology to identify and tackle fraud;</li> <li>• Continue to invest in the training and development of investigative staff to ensure high levels of competence, so that staff have the right skills and follow set standards;</li> <li>• Regularly communicate with staff on countering fraud and provide fraud awareness training;</li> <li>• Identify control weaknesses and enhance fraud controls and processes;</li> <li>• Communicate counter fraud activity and successes through reporting to Audit Committee and staff training/workshops.</li> </ul>
<b>Pursue</b>	<ul style="list-style-type: none"> <li>• Prioritise the recovery of financial losses as a result of fraud, and use of civil sanctions where appropriate;</li> <li>• Develop capability and capacity to investigate and punish offenders, through the support of appropriate disciplinary processes and working with outside agencies, including the Police.</li> <li>• Monitor and promote our confidential reporting hotline;</li> <li>• Develop and maintain internal investigation protocols and disclosure protocols;</li> <li>• Provide a consistent and effective response for dealing with fraud cases;</li> <li>• Collaborate across geographical boundaries with other Local Authorities through working groups, sharing of intelligence, benchmarking, and on joint investigations;</li> <li>• Learn lessons from identified fraud and corruption and close the gaps in control weaknesses that allowed any wrongdoing to be perpetrated.</li> </ul>
<b>Protect</b> <i>(this is an overarching aim which sits across the previous four principles)</i>	<ul style="list-style-type: none"> <li>• Recognise the harm that fraud can cause in the community;</li> <li>• Protect the Council, the public funds it administers, as well as residents and other stakeholders, from risks and financial losses relating to fraud and corruption, now, and in the future.</li> </ul>

## Governance

This is about the Council having robust arrangements and executive support to ensure 'zero-tolerance' anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Internal Audit work closely with senior officers, including the Executive Leadership Team/Chief Executive. The Executive Leadership Team are committed to setting a 'tone from the top' through the support of a zero-tolerance approach to fraud and corruption, which includes the investment of resources into a dedicated Counter Fraud team that sits within Internal Audit.

The Chief Internal Auditor reports all instances of identified fraud, theft, and corruption quarterly to Audit Committee. The Chief Internal Auditor additionally maintains a close relationship with the sitting



chair of this committee, ensuring that members are appropriately briefed of all significant instances of identified wrongdoing.

The Council expects everyone carrying out Council business to protect the public purse and to report suspicions of dishonest behaviour. The promotion of a strong anti-fraud culture will deter potential fraudsters and those considering wrongdoing, as well as encouraging a safe environment in which individuals can feel comfortable to raise concerns, without fear of reprisals or victimisation.

## **Acknowledge**

The Council accepts that no authority is immune from the risk of fraud, bribery and wrongdoing. It seeks to use all available recourse to help to reduce the opportunity, motivation and justification for fraud, bribery and wrongdoing and to act robustly when it is identified.

A fraud and misconduct risk assessment is maintained to help the Council identify the risks it faces from fraud, corruption, bribery and other wrongdoing. This risk assessment then documents the controls in place to mitigate these risks, identifies gaps or weaknesses in the control mechanisms, and feeds into the development of a work programme to target and reduce these risks.

The Council will regularly review its approach to tackling fraud, keeping abreast of emerging risks and current trends which occur across the Council and nationally.

This strategy is part of the counter fraud framework, which includes the following procedures which set out the Council's commitment to preventing, detecting and deterring fraud and corruption to ensure public funds are used for their intended purposes:

- Employee Code of Conduct;
- Code of Conduct for Members;
- Whistleblowing Policy;
- Anti-money Laundering Policy;
- Sanctions Policy;
- Financial Regulations;
- Procurement Standing Orders.

## **Prevent**

The Council faces a variety of risks and threats and acknowledges that prevention is the best and most efficient way to tackle fraud, bribery and wrongdoing and to prevent / minimise losses.

The best defence against fraud, corruption, bribery and wrongdoing is to create and maintain a strong and robust anti-fraud culture within the Council. The Council will promote the standards of business conduct it expects and requires from all its employees (including contractors and Councillors) as documented in the Council's Code of Conduct (and set out under the 'Seven principles of public life' heading later in this strategy).

The Council will continue to invest in the training and professional development of Internal Audit staff to ensure high levels of competence, so that staff have the right skills to prevent, identify, investigate, and pursue fraud, corruption, and other wrongdoing.

Practical counter fraud and risk guidance and training has been produced and is disseminated to staff. This details risk identifiers and is based on lessons learned elsewhere and recognisable risk scenarios. Targeted anti-fraud presentations are also delivered to services, which are prioritised via a risk-based approach.

Internal Audit will continue to make the best use of information and technology to identify and tackle fraud. This will include the development and utilisation of data analytics, both as embedded tests that sit within audit work, and targeted proactive exercises aimed at identifying fraud and error.

The Council also recognises that a key preventative measure to combat fraud and misconduct is to ensure that the appropriate due diligence is exercised in the hiring, retention and promotion of employees and relevant third parties. This applies to all staff whether, permanent, temporary, contracted or voluntary. Procedures will be followed in accordance with the Council's recruitment and selection framework. We will always undertake the appropriate pre-employment checks (for example: qualification verification and obtaining references) before any employment offer is confirmed.

Any system weakness identified as part of the work carried out by Internal Audit will be recorded, with controls recommended to minimise any system weaknesses and these will be agreed and monitored to ensure compliance as part of the audit process.

## **Pursue**

Fraud, corruption and malpractice will not be tolerated and where it is identified the Council will deal with proven wrongdoings in the strongest possible terms, including:

- Disciplinary action;
- Reporting to the Police or other external agencies;
- Prioritise the recovery of any losses on behalf of the taxpayer, including use of criminal or civil legal action through the Courts.

The Counter Fraud team within Internal Audit will provide a consistent and effective response for responding to allegations of alleged financial irregularity. The team works to defined internal investigation protocols, which are under regular review and are shared with management and HR. The team collaborates across geographical boundaries with other Local Authorities through working groups, sharing of intelligence, and benchmarking.

Where information relating to a potential or actual offence or wrongdoing is uncovered, a comprehensive, independent, and objective investigation will be conducted. Any investigation will take account of relevant policies and legislation.

The purpose of any investigation is to gather all available facts to enable an objective and credible assessment of the alleged irregularity and to enable a decision to be made as to a sound course of action.

In such instances, Internal Audit will work closely with management and where appropriate, other Local Authorities or other agencies such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon.

Referral to the Police on matters of alleged fraud or other financial irregularity is a matter for the Chief Internal Auditor, in consultation with the Section 151 Officer and the relevant senior managers. Any referral made to the Police will not prohibit action under the Council's disciplinary procedure.

In cases of alleged theft, fraud, corruption or other irregularity involving staff, the Council may pursue the case through its disciplinary processes, even if the member of staff has submitted their resignation.

All completed investigations will include a review of lessons learned which may result in the production of an Internal Control Report for management. This aims to identify where there are any gaps or weaknesses in the system of internal control which contributed to the ability of the identified fraud, theft, corruption, or other irregularity to be perpetrated. This report will contain actions for management which will aim to close these gaps in control. These actions will be monitored and reported to audit committee in line with Internal Audit's action tracking process.

### Seven principles of public life

The Council is committed to the highest ethical standards as set out in the Code of Conduct. The Council believes the 'seven principles of public life' are the foundation of a strong anti-fraud culture and expects all members, officers and contractors to follow these principles, as well as all legal rules, policies and procedures.

The seven principles of public life and a brief explanation are listed below:

Principle	Explanation
Selflessness	Act solely in terms of the public interest and not for the purpose of gain for yourself, family or friends.
Integrity	Avoid placing yourself under any obligation to people or organisations that might seek to influence you in your work.
Objectivity	Act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Be accountable to the public for your decisions and actions and submit yourself to scrutiny as appropriate.
Openness	Act and take decisions in an open and transparent manner. Information should only be withheld from the public if there are clear and lawful reasons for doing so.
Honesty	Be truthful. This includes declaring any conflicts of interest and taking steps to resolve such conflicts.
Leadership	Actively promote and support these principles by applying them to your own behaviour and challenging poor behaviour.

### Definitions

**Fraud** - can be broadly described as, someone acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:

- Dishonestly making a false statement or representation;
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose;
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

**Theft** - Theft is stealing any property belonging to the Council or which has been entrusted to it (i.e. client funds), including cash, equipment, consumables, machinery, or even data. Theft does not

necessarily require fraud to be committed. Theft can also include the stealing of property belonging to our staff or members whilst on Council property.

**Obtaining services dishonestly** – is broadly where services which were to be paid for were obtained knowing or intending that no payment (or only part-payment) would be made.

**Bribery** – is ‘the offering, promising, giving, soliciting, agreement to accept or acceptance of a financial or other advantage which may induce or reward a person to perform improperly a relevant function’ under The Bribery Act 2010.

**Corruption** – is the offering or acceptance of inducements designed to influence official action or decision making. These inducements can take many forms including cash, holidays, event tickets or meals.

**Money laundering** – is the process of converting illegally obtained money or assets into ‘clean’ money or assets with no obvious link to their criminal origin. Detailed guidance is set out in the Council’s Anti-Money Laundering Policy (attached as annex 1.1).

This strategy also covers other irregularities or wrongdoing, for example failure to comply with Financial Regulations, Standing Orders, National and Local Codes of Conduct, Health and Safety Regulations and all other relevant laws and legislation that result in an avoidable loss to the Council.

## **Brighton & Hove City Council Related Policies**

[Whistleblowing Policy](#)

[Code of Conduct](#)

**The following policies are attached as an Annexes:**

- 1.1 Anti-Money Laundering Policy**
- 1.2 Sanctions Policy**

## 1.1 Anti-Money Laundering Policy

### Policy statement

Brighton & Hove City Council will do all it can to:

- Prevent any attempts to use the Council and its staff to launder money;
- Identify potential areas where money laundering may occur; and
- Comply with all legal and statutory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.

### 1. Introduction

- 1.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Proceeds of Crime Act 2002 and the Terrorism Act 2000 (and all relevant amending legislation) place obligations on the Council, including its members and employees, with respect to suspected money laundering.
- 1.2 While most money laundering activity in the UK occurs outside of the public sector, vigilance by Council employees and members can help identify those who are, or may be, perpetrating crimes relating to the financing of terrorism and money laundering.
- 1.3 This policy forms part of the Council's counter fraud framework and sets out:
  - Definitions and legal background in respect of money laundering;
  - The Council's approach to money laundering including the responsibility of members and officers to report suspicions promptly; and
  - Guidance and procedures for members and officers.

### 2. Scope of the policy

- 2.1 This policy applies to all members and officers of the Council and aims to maintain the high standards of conduct that the public is entitled to expect from the Council.
- 2.2 It is vital that all members and officers are aware of their responsibilities and remain vigilant; criminal sanctions may be imposed for breaches of legislation.
- 2.3 Failure to comply with the procedures set out in this policy will result in action being considered under the Sanctions Policy. This may include disciplinary action in line with the Officer, or Member, Code of Conduct.

### 3. Definitions and legal background

- 3.1 Money laundering is the process of converting illegally obtained money or assets into 'clean' money or assets with no obvious link to their criminal origin.
- 3.2 There are three primary money laundering offences set out in legislation:
  - Concealing, disguising, converting, transferring, or removing from the UK any criminal property (Section 327 of the Proceeds of Crime Act 2002);
  - Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (Section 328); and
  - Acquiring, using or possessing criminal property (Section 329).

3.3 There are also two secondary offences:

- Failure to disclose any of the three primary offences; and
- Tipping off (the act of informing a person suspected of money laundering in such a way as to prejudice an investigation).

3.4 Any member or employee of the Council may potentially be implicated in money laundering if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The key requirement is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.

#### 4. The Money Laundering Reporting Officer (MLRO)

4.1 The officer nominated to receive disclosures about money laundering activities within the Council is the Auditor Manager (Counter Fraud):

Simon White  
Audit Manager (Counter Fraud)

Surrey County Council  
Room 318, County Hall  
Penrhyn Road

Telephone: 0208 541 9191 / 07779 455501  
Email: simon.white@surreycc.gov.uk

Kingston upon Thames  
Surrey, KT1 2DN

4.2 In the absence of the MLRO, the Principal Auditor (Counter Fraud) is authorised to deputise:

Alex McLaren  
Principal Auditor

Brighton Town Hall  
Bartholomew Square  
Brighton  
BN1 1JP

Telephone: 01273 292573 / 07592 103574  
Email: Alex.Mclaren@brighton-hove.gov.uk

#### 5. Procedures

##### **Cash**

5.1 The Council will not accept any cash payment in excess of £5,000 irrespective of whether this is through a single payment or series of linked payments. 'Cash' includes notes, coins, banker's drafts and travellers cheques.

5.2 This does not necessarily mean that cash transactions below this value are legitimate and legal. Professional scepticism is encouraged at all times and any suspicions must be reported to the MLRO or their deputy.

##### **Responsibilities of members and officers**

5.3 Any member or officer who suspects money laundering activity must report their suspicion promptly (as soon as practicable) to the MLRO or their deputy if appropriate. If you prefer, you can discuss your suspicions with your line manager first.

5.4 Your disclosure must be made at the earliest opportunity following the information coming to your attention, not weeks or months later, and should be made to the MLRO or deputy using the form attached at the end of this policy.

5.5 You must follow any subsequent directions from the MLRO or deputy. You must not:

- Make any further enquiries into the matter;
- Take any further steps in any related transaction without authorisation from the MLRO or deputy;

- Disclose or otherwise indicate your suspicions to the person suspected of money laundering; or
- Discuss the matter with others or make a note on file that a report to the MLRO or deputy has been made, as this may alert the suspected perpetrator.

### ***Responsibilities of the MLRO***

- 5.6 The MLRO or deputy must promptly evaluate any disclosure to determine whether it should be reported to the National Crime Agency (NCA). Any decision not to submit a report to the NCA must be recorded.
- 5.7 If they so determine, the MLRO or deputy must promptly submit an online Suspicious Activity Report (SAR) to the NCA. Alternatively, a SAR may be manually reported to the NCA. Both online and up to date manual reporting forms are available on the NCA's website.
- 5.8 If a disclosure provides the MLRO or deputy with knowledge or reasonable grounds to suspect that a person is engaged in money laundering, and they do not disclose this to the NCA as soon as practicable, the MLRO or deputy will have committed a criminal offence.

### ***Risk based approach, customer due diligence and record retention***

- 5.9 Under MLR 2017, the Council is obliged to adopt a risk-based approach towards anti-money laundering regulations and how they approach due diligence.
- 5.10 MLR 2017 stipulate risk mitigation policies must be in writing and be proportionate to the risks identified. They must include internal controls over money-laundering and terrorist financing risks. They must also include revised customer due diligence procedures as well as reporting, record keeping and monitoring requirements.
- 5.11 Regulation 18 of MLR 2017 requires a written risk assessment to identify and assess the risk of money laundering and terrorist financing that the Council faces. This will:
- Assist in developing policies, procedures and controls to mitigate the risk of money laundering and terrorist financing;
  - Help in applying a risk-based approach to detecting and preventing money laundering terrorist financing Inform an assessment of the level of risk associated with particular business relationships and transactions and enable appropriate risk-based decisions about clients and retainers;
  - Inform an assessment of the level of risk associated with particular business relationships and transactions and enable appropriate risk-based decisions about clients and retainers.
- 5.12 In carrying out risk assessments we will take into account information on money-laundering and terrorist financing risks made available by the Law Society and/or SRA, and risk factors relating to:
- Customers;
  - Geographic areas where the Council operates;
  - Products and services;
  - Transactions;
  - Delivery Channels.
- 5.13 Under MLR 2017, there ceases to be "automatic" simplified due diligence requirements for any transactions. Instead, a relevant person needs to consider both customer and geographical risk factors in deciding whether simplified due diligence is appropriate. There are various levels of due diligence as follows:



- Simplified due diligence is only permitted where it is determined that the business relationship or transaction presents a low risk of money laundering or terrorist funding, taking into account the risk assessment;
- Enhanced due diligence' (Regulation 33) for those with a high-risk status, for example remote transactions where the customer is not physically present to be identified would require additional appropriate documents to be requested;
- The 'beneficial owner', the individual that ultimately owns or controls the customer or on whose behalf a transaction or activity is being conducted, should be identified;
- The business relationship should be scrutinised throughout its existence and not just at the beginning.

5.14 In all cases, the evidence of the customer identification and record of the relationship / transaction should be retained for at least five years from the end of the business relationship of transaction(s). The records that must be kept are:

- A copy of, or references to, the evidence of the identity obtained under the customer due diligence requirements in the Regulations;
- The supporting evidence and records in respect of the business relationships and occasional transactions which are the subject of customer due diligence measures or ongoing monitoring;
- A copy of the identification documents accepted and verification evidence obtained;
- References to the evidence of identity.

5.15 If satisfactory evidence of identity is not obtained at the outset of the matter then the business relationship or one off transaction(s) cannot proceed any further.

5.16 The customer identification procedure must be carried out when the Council is carrying out 'relevant business' and:

- Forms a business partnership with a customer;
- Undertakes a one-off transaction (including a property transaction or payment of a debt) involving payment by or to a customer of £5,000 or more;
- Undertakes a series of linked one-off transactions involving total payment by or to the customer(s) of £5,000 or more;
- It is known or suspected that a one-off transaction, or a series of them, involves money laundering;
- This must be completed before any business is undertaken for that customer in relation to accountancy, procurement, asset management, audit and legal services with a financial or real estate transaction.

5.17 In the above circumstances, employees must:

- Identify the person seeking to form the business relationship or conduct the transaction (an individual or company);
- Verify their identity using reliable, independent sources of information, Identify who benefits from the transaction;
- Monitor transactions to make sure they are consistent with what you understand about that person or country;
- Understand the source of their funds;
- Ensure there is a logical reason why they would want to do business with the Council.

- 5.18 Transaction and business relationship records should be maintained in a form from which a satisfactory audit trail may be compiled, and which may establish a financial profile of any suspect account or customer.
- 5.19 The steps that will be followed to continuously mitigate the risks associated with money laundering are:
- Applying customer due diligence measures to verify the identity of customers and any beneficial owners obtaining additional information on customers;
  - Conducting ongoing monitoring of the transactions and activity of customers with whom there is a business relationship;
  - Having systems to identify and scrutinise unusual transactions and activity to determine whether there are reasonable grounds for knowing or suspecting that money laundering or terrorist financing may be taking place.
- 5.20 Risks will be reviewed continuously as part of the annual review of the Council Risk Register.

## **6. Guidance and training**

### 6.1 The Council will:

- Make members and officers aware of the requirements and obligations placed on the Council, and on themselves as individuals, by anti-money laundering legislation; and
- Give targeted training to those considered to be the most likely to encounter money laundering.

### 6.2 Further information can be obtained from the MLRO and the following sources:

- Anti-money laundering responsibilities from gov.uk:  
<https://www.gov.uk/guidance/money-laundering-regulations-your-responsibilities>
- Anti-money laundering guidance from the Law Society:  
<http://www.lawsociety.org.uk/support-services/advice/articles/quick-guide-to-the-money-laundering-regulations-2017/>
- CIPFA: [www.cipfa.org/members/members-in-practice/anti-money-laundering](http://www.cipfa.org/members/members-in-practice/anti-money-laundering)
- The National Crime Agency: [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk)



**Confidential report to the Money Laundering Reporting Officer**

To: Money Laundering Reporting Officer

From: \_\_\_\_\_ [insert your name]

Title/Service: \_\_\_\_\_ [insert your post title and service]

Telephone: \_\_\_\_\_

Date of report: \_\_\_\_\_

Response needed by: \_\_\_\_\_ [e.g. transaction due date]

**Name(s) and address(es) of person(s) involved:**  
*[If a company/public body please include details of nature of business]*

**Nature, value and timing of activity involved:**  
*[Please give full details e.g. what, when, where, how. Continue on a separate sheet if necessary]*

	Yes	No	
Has any investigation been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	If 'yes' please provide details below
Have you discussed your suspicions with anyone else?	<input type="checkbox"/>	<input type="checkbox"/>	

**Details of investigation undertaken and/or discussions held:**

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**



**To be completed by the Money Laundering Reporting Officer**

Date report received:

Date acknowledged:

<b>Evaluation</b>	
What action is to be taken?	
Are there reasonable grounds to suspect money laundering activity? If so, please provide details	
<b>Reporting</b>	
If there are reasonable grounds for suspicion, will a report be made to the NCA?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If 'no', reasons for non-disclosure	
If 'yes', date of report to NCA	Online / Manual [delete as appropriate]
<b>Consent</b>	
Is NCA consent required for any ongoing or imminent transactions?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If 'yes', please confirm details	
Date consent received from NCA	
Date consent passed on to officer	
<b>Other relevant information</b>	

Signed \_\_\_\_\_

Date: \_\_\_\_\_

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**

## 1.2 Sanctions Policy

### Policy statement

Brighton & Hove City Council will ensure that:

- Appropriate sanctions are applied in all proven cases of fraud, theft and corruption;
- Public funds are recovered wherever possible; and
- The sanction decision making process is robust, transparent and fair.

### 1 Introduction

- 1.1 The purpose of this policy is to ensure that Brighton and Hove City Council has a set of guidelines in place that will assist in the decision making process when appropriate sanction action is necessary as a result of an investigation.
- 1.2 This policy does not intend to be prescriptive as a number of factors will need to be considered on a 'case-by-case' basis before appropriate sanction action can be decided upon. Specifically, consideration will be given to the circumstances of each case, the seriousness of the offence and the person involved in the matter.
- 1.3 All overpayments or monetary losses that result from proven fraud will be pursued rigorously and, where necessary, legal action will be taken to effect recovery.
- 1.4 In the event of a successful prosecution the decision to publicise the outcome will take into account the following criteria:
- Interest of Brighton and Hove City Council
  - Deterrent value to others
- 1.5 This policy will be continually reviewed and updated as a result of new case decisions, legislation and case law.

### 2 Sanction/Prosecution Options

- 2.1 A person involved in perpetrating fraud may commit an offence which could relate to any of the following Acts (this is not an exhaustive list):
- Fraud Act 2006
  - Local Council Tax Reduction Scheme (Fraud and Enforcement) Regulations 2013
  - Prevention of Social Housing Fraud Act 2013
  - Housing Act 1996
  - Proceeds of Crime Act 2002
  - Theft Act 1968 & 1978
  - Forgery & Counterfeiting Act 1987
  - Criminal Justice Act 1987
  - Data Protection Act 1998 & Computer Misuse Act 1990
  - Identity Card Act 2006 & Identity Document Act 2010
- 2.2 The Counter Fraud Team will investigate all types of fraud or criminal activity committed against Brighton and Hove City Council and in relevant cases will take appropriate sanction action
- 2.3 The following options will be considered when there is evidence of an offence:
- Take no further action
  - Disciplinary action for internal cases

- Civil action to recover money, interest, costs or property
- Referral to professional bodies
- Criminal prosecution

These options are not mutually exclusive and parallel sanctions may be pursued.

### 3 Sanction Guidelines

3.1 Each case will be considered on individual circumstances, however guidelines have been developed to assist in the decision making process. These guidelines relate to all cases of fraud including but not limited to tenancy fraud and/or employee fraud for example.

3.2 Consideration when deciding on an appropriate course of action will be given to:

- The Public Interest Test
- Circumstances of the offence
- Factors relating to the offender
- Other relevant factors and mitigating circumstances

3.3 Where the decision is made that a matter is not in the public interest to prosecute the following factors will be considered:

- The court is likely to impose a very small or nominal penalty
- The loss or harm caused was minor and resulted in a single incident resulting from a misjudgement
- If the offender is considered vulnerable
- The value of the loss
- The offender has not previously offended
- The act was calculated or premeditated
- There was no other persons involved

3.4 The following factors will be considered where prosecution is the most likely course of action:

- The deterrent value of a prosecution
- The length of time the fraud has continued
- Whether the offence was calculated and premeditated
- Sufficient evidence leading to a reasonable prospect of conviction and there are no serious errors in benefit assessment or the investigation
- Evidence of collusion (with landlord, employer or family member etc)
- Offender holds a position of trust
- Previous history relating to fraud

If any of the following factors exist, it may be unlikely that prosecution will be pursued:

- Serious errors in investigation or assessment of loss
- Unacceptable delay in investigation or the case is 'out of time' for prosecution under certain time limited legislation
- Poor publicity may be attracted, or low deterrent factors exist
- Vulnerable person may be put at risk
- Evidence is insufficient to gain conviction
- Voluntary disclosure of the offence by the offender before the fraud was uncovered, and true remorse is shown
- Evidence that the person has committed the offence under duress

3.5 Some factors relating to the offender may exist that could influence Brighton and Hove City Council's decision on whether to prosecute or impose another type of sanction. Examples of these factors are as follows:

- Poor health, either mental or physical, of the offender likely to be considerably and permanently worsened by prosecution
- Young, elderly or vulnerable persons
- Families
- Whether the offender has reasonable understanding of the offence committed.

#### **4 Other relevant policies**

- Counter Fraud Strategy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Staff Code of Conduct





# Brighton & Hove City Council

## Audit & Standards Committee

## Agenda Item 27

**Subject:** Standards Update

**Date of meeting:** 29 November 2022

**Report of:** Monitoring Officer

**Contact Officer:** Name: Victoria Simpson, Senior Lawyer – Corporate Law

Email: Victoria.Simpson@brighton-hove.gov.uk

**Ward(s) affected:** All

**For general release**

### **1 Purpose of the report and policy context**

1.1 To provide Committee with a quarterly update on member complaints and on Standards-related matters.

### **2 Recommendations**

2.1 That Committee notes the information in this Report.

### **3 Context**

#### **Background**

3.1 Members are aware of the provisions in the Localism Act 2011 which require the Council to maintain arrangements for reviewing and determining complaints that elected and co-opted members have breached the Council's Code of Conduct for Members.

3.2 This Report provides information to assist this Committee in discharging its delegated responsibilities to promote and maintain high standards of conduct by members.

#### **Member complaints: the overall picture**

3.3 A key aim of the regular update report is to provide reassurance regarding the progression of standards complaints which the Council has received and which it has either determined recently or is in the process of considering. In this context, Members' attention has been drawn to the challenges generated by the increase in complaints against elected members in recent months.

- 3.4 A Report providing members with the overall picture regarding complaints made during 2022 is planned for the next meeting of this Committee, in January 2023. This will provide data on member complaints over a twelve month period. It will endeavour to identify any overall trends both in terms of the volume of complaints and their subject matter.

#### **4 Member complaints previously reported to this Committee**

- 4.1 Complaint **M/2021** was referred to in the last report as having not yet been concluded. The Monitoring Officer reviewed the complaint against the tests provided in the Procedure for Dealing with Allegations of Breaches of the Code of Conduct by Elected and Co-opted Members. The Monitoring Officer took the decision to resolve the matter informally on the facts, discontinuing the investigation on the basis that a formal investigation was no longer proportionate and necessary in the public interest. As a result, the process has been concluded.
- 4.2 Complaints **F1/2021** and **O1/2021** concerned an elected councillor who has continued not to engage with the complaints process despite being informed that the Monitoring Officer took the view that their conduct had potential to amount to a breach of the requirement that they treat others (including officers) with respect. While no apology has been forthcoming, the comments which gave rise to the complaint were deleted by the subject member at some point prior to September 2022. Having consulted with the Independent Person, the Monitoring Officer then took the view that - although this outcome was not an optimal one - the deletion of the comments did provide sufficient basis for a decision that it would not be proportionate to pursue the matter to a formal investigation. A decision was made to decide to resolve the matter informally without taking any further action.
- 4.3 Complaints **M1/2021** and **N1/2021** concerned the social media comments by an elected member on behalf of their political group. That member responded to communications sent as part of this process, including an email letting them know that their conduct was considered to have potential to amount to a breach of the Code. Although they did not apologise for their conduct, they gave a clear account of the context in which they made the decision to respond in terms which gave rise to the complaints. That account provided a basis on which the Independent Person and the Monitoring Officer took the view that that complaint could be resolved by taking no further action on the basis that it would not be proportionate and necessary in the public interest to refer it for formal investigation.
- 4.4 The elected member who was the subject of complaint **A/2022** did not respond to communications regarding it. Having considered all of the facts, the Monitoring Officer and the Independent Person agreed that this was a matter which was sufficiently serious to merit referral for formal investigation. As a result, an investigator was appointed to carry out an investigation and a draft report has since been circulated to both parties. At time of writing, it is for the Monitoring Officer to determine next steps.
- 4.5 Paragraph 4.8 of the last update report referred to nine complaints received about a single elected member's conduct when discussing a key topic on social media, seven of which had already been determined by a decision to

take no further action. The member concerned did not respond to any communications about any of the complaints. Following a further attempt to engage them, a decision was made to refer complaint **E/2022**, as well as complaint **J/2022** for formal investigation. That process is at the same stage as complaint **A/2022** at time of writing.

- 4.6 Complaint **O/2022** has been determined by a decision to take no further action on the basis that the Monitoring Officer and the Independent Person were both in agreement that there was insufficient evidence to support the complaint. Complaints **C/2022** and **D/2022** concerned a different elected member and a separate complaint but were also determined by a decision to take no further action on the basis that the Independent Person and the Monitoring Officer were in accord that insufficient evidence of a breach had been identified. As with all of the complaints not proceeded with at preliminary assessment stage, the parties received an explanation of the rationale for this decision.
- 4.7 Complaints **P/2022** and **Q/2022** were also considered in a detailed way. In **P/2022**, detailed analysis of the newspaper article complained of was made alongside a process of reflecting on representations made by the subject member as well as the complainant. That complaint was ultimately determined by a decision by the Monitoring Officer, acting in accord with the Independent Person, that insufficient evidence of the alleged breach existed and that it was not considered to be in the public interest to progress the complaint. The member who was the subject of the complaint was however asked to take all possible care to ensure complete accuracy in relation to any public comments made about others in future.
- 4.8 **Q/2022** required a series of communications to be made by officers in order to establish the facts surrounding a dispute between neighbours. Whilst the member whose conduct was complained of did not provide a response to requests for clarificatory information during the latter part of the process, sufficient information was obtained to enable a decision by the Monitoring Officer - having consulted with the Independent Person - that the councillor was not acting in their capacity as a member during the conduct complained of. As a result, that complaint was also determined by a decision to take no further action.

## **5 Complaints received in since the last update to Committee**

- 5.1 Complaints **R/2022** and **S/2022** concerned the same subject member and asserted that their activities in their ward were such as to create a conflict of interest in a matter which came before them in their capacity as a committee member. However having considered the detailed comments made by the member, the Monitoring Officer agreed with the Independent Person's view that the evidence supplied did not establish any such conflict of interest and that as a result there was insufficient evidence to support the allegation of a breach of the Code. The complaint was therefore determined on that basis.
- 5.2 Complaint **T/2022** alleged that the terms used by an elected member when commenting publicly on a contested issue did not meet the Council's equalities standards and amounted to a breach of the Code. The Monitoring Officer however agreed with the Independent Person's assessment that – considering the conduct complained of, including the vocabulary used – there

was insufficient evidence of any breach. This complaint was therefore determined by a decision to take no further action on that basis.

- 5.3 Complaint **U/2022** alleged that a councillor who had made representations about a planning application had a conflict of interest. Having considered the complaint and the councillor's comments regarding her lack of a conflict, the view was taken that there was an absence of scope for such conflict on the facts provided and that therefore insufficient evidence of a breach existed to merit any action. The complaint was therefore determined on that basis.
- 5.4 Complaint **V/2022** was made against two members of the same group. It alleged that they had breached the Code when participating in a residents meeting by preventing consensus being reached to bring a deputation to Committee. Further complaint was made regarding the emails in which those members explained their actions to the complainant. The fact that both the members concerned had made efforts to communicate in a detailed way with the complainant was noted while no part of the complaint was considered to give rise to sufficient evidence that a breach had occurred. A decision was made to take no further action as a result.
- 5.5 Complaints **W/2022** and **X/2022** were from different complainants but concerned the same ward member. The complaint alleged that the member's responses to them on a ward matter had breached the Code. Both complaints remain with the Independent Person at time of writing and a decision has not as yet been made at preliminary assessment stage.
- 5.6 Complaint **Y/2022** made substantively the same allegation as was made in **U/2022** but purported to provide additional evidence in support. This is being reviewed at time of writing. Complaint **Z2022** was received in very shortly before publication of this Report and made allegations concerning a member's activities at and in relation to proposals in the member's ward. It remains at preliminary assessment stage and will be referred to in a future report, along with all other outstanding complaints.

## **6 Member development and training**

- 6.1 To assist the Committee in discharging its role in promoting and maintaining high standards of conduct by councillors, attention is drawn to the member training sessions taking place during the month of November 2022. These include a refresher session to enable members to recap on the Council's standards arrangements including the updates made in summer 2021.
- 6.2 Also occurring this month is the second of two training sessions delivered by an external trainer on the use of social media. It will highlight the challenges and opportunities for members who use social media and will offer some assistance on how to deal with those stakeholders who fail to meet minimal standards of courtesy and respect when approaching members.
- 6.3 A third training event has been run for members of the Audit and Standards Committee only. This provides them with an opportunity to undertake the training deemed mandatory for any member participating in a Standards Panel.

## **7 Analysis and consideration of alternative options**

- 7.1 The Council is obliged under the Localism Act to make arrangements for maintaining high standards of conduct among members and to make arrangements for the investigation of complaints. The current arrangements and the proposals in this Report are key to discharging these requirements. No alternative proposals are suggested.

## **8 Community engagement and consultation**

- 8.1 No need to consult with the local community has been identified.

## **9 Conclusion**

- 9.1 This Report aims to assist the Committee in discharging its responsibilities for overseeing the standards of conduct at this authority and for reviewing the arrangements in place for the resolution of member complaints.

## **10 Financial implications**

- 10.1 There are no additional financial implications arising from the recommendation in this report. All activity referred to has been, or will be, met from existing budgets.

Name of finance officer consulted: Nigel Manvell Date consulted 3/11/22

## **11 Legal implications**

- 11.1 These are covered in the body of the Report.

Name of lawyer consulted: Victoria Simpson Date consulted 31/10/22

## **12 Equalities implications**

- 12.1 No equalities implications have been identified.

## **13 Sustainability implications**

- 13.1 No sustainability implications have been identified.

## **14 Other Implications**

- 14.1 No other implications have been identified.

## **Supporting Documentation**

**None**

