

Governance Committee

Tuesday, 26th September, 2023, 6.00 pm

Shield Room, Civic Centre, West Paddock, Leyland PR25 1DH

Agenda

1 Apologies for absence

2 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

3 Minutes of meeting Tuesday, 8 August 2023 of Governance Committee

(Pages 3 - 6)

Minutes of the last meeting held on Tuesday, 8 August 2023 attached for approval and signing by the Chair.

4 External Audit Progress Report September 2023

(Pages 7 - 14)

Report of Grant Thornton attached.

5 Internal Audit Plan October 23 to March 24

(Pages 15 - 20)

Report of the Head of Audit and Risk attached.

6 Internal Audit Progress report

(Pages 21 - 64)

Report of the Head of Audit and Risk attached.

7 Governance Committee Effectiveness Review

(Pages 65 - 84)

Report of the Head of Audit and Risk attached.

8 Constitution - Planning

(Pages 85 - 88)

Report of the Monitoring Officer attached.

Chris Sinnott
Chief Executive

Electronic agendas sent to Members of the Governance Committee Councillors
Colin Sharples (Chair), Wesley Roberts (Vice-Chair), Damian Bretherton,
Peter Gabbott, Pete Pillinger, Margaret Smith and Angela Turner

The minutes of this meeting will be available on the internet at
www.southribble.gov.uk

Forthcoming Meetings

6.00 pm Tuesday, 28 November 2023 - Shield Room, Civic Centre, West Paddock,
Leyland PR25 1DH

Minutes of **Governance Committee**

Meeting date **Tuesday, 8 August 2023**

Committee members present: Councillors Colin Sharples (Chair), Damian Bretherton, Peter Gabbott, Margaret Smith, Angela Turner, Lou Jackson and Elaine Stringfellow

Officers present: Matt Derrick (Public Sector Audit Senior Manager), Chris Moister (Director of Governance), Louise Mattinson (Director of Finance and Section 151 Officer), Dawn Highton (Head of Audit & Risk), Jacqui Murray (Senior Auditor), Rebecca Aziz-Brook (Transformation & Change Team Leader) and Clare Gornall (Democratic and Member Services Officer)

Other attendees: Councillor Phil Smith

A video recording of the public session of this meeting is available to view on [YouTube here](#)

12 Apologies for absence

Apologies were received from Councillors Wes Roberts and Pete Pillinger.

Councillors Lou Jackson and Elaine Stringfellow attended the Committee in substitution for Councillors Roberts and Pillinger.

13 Declarations of Interest

There were none.

14 Minutes of the Last Meeting

Resolved – That the minutes of the meeting of this Committee held on 24 May 2023 be signed and approved as a correct record.

15 External Audit Progress Report and Annual Audit Report 2021-22

Matt F Derrick, Grant Thornton External Auditors presented the Audit Progress Report for the period ending 31 March 2023, together with the Auditor's Annual Report 2021/22 (as referenced on page 4 of the Progress Report under the heading "Value for Money").

Mr Derrick indicated that the Council's draft financial statements were expected in August 2023 and that Grant Thornton expect to give its opinion on the Statement of

Agenda Item 3

2

Accounts by 30 November 2023. The Audit Findings Report and the next Annual Audit Report (Value for money) report were also due in November 2023.

Arising from queries from the Committee, the Director of Finance, Louise Mattinson, explained that the completion deadline for the draft Statement of Accounts has been brought forward over the last two years, first from 30 September to 31 July and then again to 31 May. She also highlighted that in addition to this, there was now a greater level of complexity to the publication of the accounts. She stressed that this had impacted on all local authorities, police authorities and fire authorities and of these bodies in Lancashire only 2 had met the deadline this year. She did confirm, however, that the draft Statement of Accounts 2022/23 should be published on Wednesday or Thursday this week.

The Auditor's Annual Report 2021/22 highlighted a significant weakness in governance arrangements arising from an information security matter discussed on 10 January 2023 in relation to the Commercial services review (Minute 38). There were 2 key recommendations set out in pages 17 and 18 of the report together with an improvement recommendation at page 22.

Arising from questions by the Committee, the Director of Governance, Chris Moister gave assurances that IT systems and controls were now in place, and additional training had been given to external contractors and procurement officers. The Director of Finance, Louise Mattinson, also informed the Committee that a 3 year testing/monitoring exercise was currently being carried out in relation to finance and procurement systems. The exercise included checking contracts are in place for suppliers, and internal control systems such as segregation of duties for goods received etc.

Dawn Highton, Audit and Risk Manager indicated that Internal Audit would be bringing a report updating the Committee as to all the actions arising from reports issued with limited assurance from the 22/23 audit plan.

Resolved – That the External Auditor's Report and the Annual Audit report 2021-22 be noted.

16 Treasury Management Outturn Report 2022/23

The Director of Finance and Section 151 officer presented a report on Treasury Management performance and compliance with Prudential Indicators for the financial year ended 31 March 2023.

Resolved: That the report be noted.

17 CIPFA Audit Committee - Practical Guidance for local authorities and police 2022

The Head of Audit and Risk, Dawn Highton presented a report members on the latest CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 and CIPFA guidance – Audit Committees - Practical Guidance for Local Authorities and Police 2022. The report also presented proposals to assess the skills

Agenda Item 3

3

and knowledge of the Committee to ensure a comprehensive training plan can be developed.

Further to the original report, a copy of the publication Audit Committee Update – issue 38 (July 2023) was circulated to the Committee.

Members and substitute members of the Committee were asked to assist with the review of the skills and knowledge by completing and returning the Skills and Knowledge Framework Questionnaire to Democratic Services by 31 August 2023.

Arising from a member query it was noted that any forthcoming external member training events for Audit / Governance Committees would be of interest.

Resolved - That the report be noted.

18 Chair of Governance Response to External Audit Planning Enquiries

The Head of Audit and Risk, Dawn Highton presented a report detailing the Chair of the Governance Committee responses provided to the planning enquiries made by the External Auditors, Grant Thornton as part of the 2022/23 statutory accounts.

Resolved: That the responses to the auditors enquiries attached to the report, be approved.

19 Strategic Risk Register

The Director of Change and Delivery presented a report providing members with an updated Strategic Risk Register, setting out the strategic risks to the council, control measures and actions planned to help manage risk.

The Director of Governance, Chris Moister indicated that progress was being made on the City Deal in relation to the factual position and that there would be report to members at the end of September 2023.

Resolved: That the strategic risks, controls in place and actions planned to further mitigate risk as set out in the report, be noted.

Chair

Date

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South Ribble Borough Council Audit Progress Report

Year ending 31 March 2023

September 2023



Contents

Section	Page
Introduction	03
Progress at September 2023	04
Audit Deliverables	06
Sector Update	07

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

Your key Grant Thornton team members are:

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Key Audit Partner

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E Georgia.S.Jones@uk.gt.com

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Senior Manager

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This paper provides the Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications <https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at September 2023

Financial Statements Audit

We completed our initial planning for the 2022/23 audit in March and April 2023. We received your draft financial statements for the Council in August 2023. We await an amended draft including the consolidated group accounts.

In May, we have issued our detailed audit plan, setting out our proposed approach to the audit of the Authority's 2022/23 financial statements.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by 30 November 2023.

The Accounts and Audit Regulations 2015 were amended by SI 2021 No. 263. The Department for Levelling Up, Housing and Communities (DLUHC) previously introduced secondary legislation to extend the deadline for publishing audited local authority accounts to 30 November 2022 for the 2021/22 accounts.

This was enacted by The Accounts and Audit (Amendment) Regulations 2022 (SI 2022 No. 708) that came into force on 22 July 2022. The deadline for publishing audited local authority accounts for 2021/22 was extended to 30 November 2022 and thereafter changed to 30 September for years up to 2027/28.

Officers advised us that the draft financial statements would be available for audit in August. The deadline for the preparation of draft accounts for 22/23 is the end of May 2023 however the complexity of accounting requirements and capacity in the finance team mean that we have agreed with officers to commence the audit on a later timescale. This means we will not complete the audit by the target date of the end of September but will work with officers to complete the audit towards the end of November if possible.

Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor's Annual Report is now no more than three months after the date of the opinion on the financial statements. Our report has not met that deadline because of issues identified by Internal Audit which we have needed to complete additional work on.

We plan to issue our Auditor's Annual Report 2022/23 in November 2023.

Progress at September 2023 (cont.)

Other areas

Certification of claims and returns

We certify the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2021/22 claim began in January. DWP extended the deadline for reporting the findings of this work to 31 January 2023. There have been a number of errors identified meaning additional work has been required. We issued our report to DWP in August 2023.

Meetings

We met with Finance Officers as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We have also met with your Chief Executive to obtain and update on emerging issues and challenges for the Council.

We have also provided training to your finance team with a view to helping the audit progress smoothly this year. This included detail around the standard of audit evidence required. We continue to liaise with finance officers to try to ensure an efficient audit for 2022/23.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Your officers were invited to our Accounts Workshop in January and February 2023, where we highlighted financial reporting requirements for local authority accounts and gave insight into elements of the audit approach.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

Audit Deliverables

2022/23 Deliverables

	Planned Date	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Governance Committee setting out our proposed approach in order to give an opinion on the Authority's 2022/23 financial statements and to report on the Authority's value for money arrangements in the Auditor's Annual Report</p>	May 2023	Completed
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the November Audit Committee.</p>	November 2023	Not yet due
<p>Auditors Report</p> <p>This includes the opinion on your financial statements.</p>	November 2023	Not yet due
<p>Auditor's Annual Report</p> <p>This report communicates the key outputs of the audit, including our commentary on the Authority's value for money arrangements.</p>	November 2023	Not yet due

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local
government



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Agenda Item 5



Report of	Meeting	Date
Head of Audit and Risk	Governance Committee	Tuesday, 26 September 2023

Internal Audit Plan October 23 to March 24

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. This report sets out the programme of work to be undertaken by the Internal Audit Service. The Internal Audit Plan is the vehicle by which audit workload is identified and prioritised.

The main purposes of the report are to:

- Remind members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council;
- Provide details and seek the Committee's approval of the Internal Audit Plan;

Recommendations

2. That the Committee approve the Internal Audit Plan.

Reasons for recommendations

3. Governance Committee approval of the Internal Audit Plan is a requirement of the Public Sector Internal Audit Standards.

Other options considered and rejected

4. Not applicable.

Agenda Item 5

Corporate priorities

5. The report relates to the following corporate priorities: (Please bold one)

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

The Role of Management and Internal Audit

6. The responsibility for implementing a strong system of governance and internal control within the Council lies primarily with the Shared Senior Management Team. Directors and Heads of Service need to ensure that they maintain effective control procedures not least because services and business systems are subject to on-going change.
7. Internal Audit is an independent appraisal function whose core objective is to evaluate and report on the adequacy of the Council's system of governance, risk management and internal control. In the main this is achieved through an annual programme of reviews, following a detailed risk assessment of audit need.

Compilation of the Audit Plan

8. Professional standards for Internal Audit in local government specify that "the Chief Audit Executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals
9. The Internal Audit Plan October 23 – March 24 has been constructed after taking into consideration the following:
- The Council's priorities / strategic plan;
 - A review of corporate strategies;
 - The corporate risk register;
 - Information taken from other assurance processes within, and external to, the Council, including External Audit and inspection reports;
 - Direct engagement with Directors;
 - The skills, knowledge and experience of audit staff;
 - Professional judgement on the risk of fraud and error;
 - Annual Governance Statement and Service Assurance Statements.
10. The Internal Audit Plan contains the programme of reviews for the period of October 23 to March 24 and is shown at **Appendix A**. This clearly shows the link between the work of Internal Audit, strategic and operational risks and corporate objectives. The reviews are clearly highlighted with the quarter for completion. The plan also details our involvement with key project teams assisting with advice and guidance on risk management, internal control and governance.

Agenda Item 5

Audit Resource

11. Since the approval of the Internal Audit Plan for March 23 to September 23, there has been a reduction in the level of audit resource. Whilst a recruitment exercise is currently on-going, there is a small impact on the number of available audit days compared to 2022/23 as shown in the table below.

Authority	2022/23	2023/24	Variance
SRBC	309	275	(34)

12. The Plan will be completed largely by the in-house team with external support procured for specialist ICT reviews and we have a reciprocal arrangement with Preston City Council and Wyre Council to review our risk management arrangements.

Internal Audit Annual Opinion

13. Whilst the number of days is reduced, successful delivery of the two combined six-month Plans will mean that there is sufficient coverage to allow for an annual audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes as required by the Public Sector Internal Audit Standards to be formed and reported in May 2024. It is anticipated that the number of audit days will increase during 2024/25 once a fully trained team is in place.

Climate change and air quality

14. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

15. The material presented and discussed in this report has not direct implications on equality and diversity.

Risk

16. Risks are outlined in the body of the report.

Comments of the Statutory Finance Officer

17. Not applicable.

Comments of the Monitoring Officer

18. Not applicable.

Agenda Item 5

Background documents

There are no background papers to this report.

Appendices

Appendix A – Internal Audit Plan October 2023 to March 2024

Report Author:	Email:	Telephone:	Date:
Dawn Highton (Head of Audit & Risk)	dawn.highton@southribble.gov.uk	01772625625	7.9.23

Internal Audit Plan - October 2023 to March 2024	QTR	SRBC	Detailed Rationale	Links to Risk Registers (strategic & operational) / Corporate Plan Projects / Business plans / Annual Governance Statement (AGS)
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CORPORATE AREAS				
Anti-Fraud & Corruption	ALL	1	Review and update of probity policies	AGS
NFI	ALL	2.5	Review / Investigation of 2022 matches	AGS
CUSTOMER & DIGITAL				
Customer Services				
Write off processes	3	5	Risk based review	Financial risk
ICT				
Back up and Disaster Recovery	4	15	Risk based review	Operational risk / Corporate risk register
PLANNING & PROPERTY				
CIL	3	15	Risk based review	Operational risk
Project support	ALL	2.5	Proactive support to assist corporate plan projects (Town Deal / SRBC extra care scheme)	Corporate Plan projects
COMMUNITIES				
Housing Standards	4	15	Risk based review	Operational risk
CHANGE AND DELIVERY				
Business Grants	4	10	Risk based review	Corporate Plan Projects
COMMUNICATIONS AND VISITOR ECONOMY				
Event Management	4	15		
GOVERNANCE				
Risk Management	4	10	To be undertaken by Wyre Council (reciprocal arrangement)	Governance Framework

Internal Audit Plan - October 2023 to March 2024	QTR	SRBC	Detailed Rationale	Links to Risk Registers (strategic & operational) / Corporate Plan Projects / Business plans / Annual Governance Statement (AGS)
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Management of assets (inventories)	3	10	Compliance with new policy / insurance implications	Governance Framework
FINANCE				
Bank Reconciliation & cash flow forecasting	4	15	Assurance following EA recommendations / pre treasury processes	Financial risk
GENERAL AREAS				
Post Audit Reviews	ALL	5	Follow up of agreed actions	
Contingency / Irregularities	ALL	2.5	Unplanned reviews / contingency	
Internal Audit Effectiveness Review	4	5		
Committee Reporting / Effectiveness Review	All	5	Preparation of reports and attendance at Governance Committee	
TOTALS		133		

Agenda Item 6



Report of	Meeting	Date
Head of Audit and Risk	Governance Committee	Tuesday, 26 September 2023

Internal Audit Progress report

Is this report confidential?	No
Is this decision key?	No

Purpose of the Report

1. The purpose of this report is to advise members of the work undertaken in respect of the Internal Audit Plan from April 2023 to August 2023 and to give an appraisal of the Internal Audit Service's performance to date.

Recommendations

2. Members are asked to note the position with regard to the Internal Audit Plan.
3. Members are asked to approve the deferral of two reviews from the April to September Internal Audit Plan.

Reasons for recommendations

4. Consideration of the progress against the Internal Audit Plan is a requirement of the Public Sector Internal Audit Standards.

Other options considered and rejected

5. Not applicable.

Corporate priorities

6. The report relates to the following corporate priorities: (Please bold one)

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

7. The Internal Audit Plan for the six months April to September 2023 was approved by this Committee at its meeting in March 2023 and provides for 141 days of audit work.

Agenda Item 6

Internal Audit Reports

8. **Appendix A** provides a snapshot of the overall progress made in relation to the six month Internal Audit Plan, indicating which audits have been completed and their assurance rating, those that are in progress and those that have yet to start.
9. As members will be aware, previously if Internal Audit reports are issued with a limited assurance rating, a full copy has been appended to the progress reports. Going forwards, it has been agreed with the Chair that in the interests of openness and transparency, all Internal Audit reports will be published with the agenda.
10. The table below highlights the work completed to date with any issues identified where applicable:

Name of Review	Assurance Rating	Comments
2023-24		
Annual Governance Statement (AGS)	Not applicable	Proactive input was provided to inform the AGS Action plan presented to the Governance Committee in May 2023.
National Fraud Initiative	Not applicable	Internal Audit are working with officers to ensure that the results from the main NFI Exercise issued in February 2023 are completed. In addition, work is in progress with regards to the Council Tax Single Person Discount review, which had been delayed due to recruitment challenges and administering various Government initiatives.
Sundry Debtors – Aged Debts	Limited	A copy of this report is included at Appendix B
Revenues and Benefits Project Team	Not applicable	Pro active support to assist with the alignment of revenues and benefits processes.
Building Control	Adequate	A copy of this report is included at Appendix C
Commercial Directorate Development Group	Not applicable	The Head of Audit and Risk is a member of the group established to develop and embed a strong governance framework and a positive culture focused on high quality service delivery.
Project support	Not applicable	Pro active support is being provided with the large scale projects.
Data Quality	Adequate	A copy of this report is included at Appendix D

Agenda Item 6

2022-23		
Phishing exercise	Not applicable	The exercise highlighted that the Council has robust controls and attempts to access the network were thwarted. However, there is still some learning from the exercise and actions have been agreed to further strengthen the current arrangements.

Assurance Ratings Key

Assurance Rating	Definition
Full	the Authority can place complete reliance on the controls. No control weaknesses exist.
Substantial	the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.
Adequate	the Authority can place only partial reliance on the controls. Some control issues need to be resolved
Limited	the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

11. For all the reviews completed to date, management have accepted all the findings and the agreed actions in these reports will be followed up and reported on at future meetings of this committee.

Amendments to the Audit Plan

12. As highlighted in the Audit Plan October to March 24 report, there has been a recent change in the level of audit resource. This has not only impacted upon the plan going forwards but also there has been a small impact upon the current plan of April to September. As a result, we are seeking the approval of the Committee to defer two separate reviews, listed below. These have been selected based upon the skills of the team and the level of risks within each review. If approved for deferral, both reviews will be considered again within the risk assessment.
- Capita Migration – 10 days
 - Closed Graveyards – 15 days.

Follow up of reports with limited assurance.

13. At the meeting in August, members requested an update on agreed audit actions emanating from reports with a limited assurance rating. The table below sets out the position for each report.

Agenda Item 6

Name of Review	Total number of agreed actions	Actions due by the end of August	Total number implemented	Actions in progress with revised dates
Review of Utilities Management	12	12	9	3
Review of Waste Management	16	14	12	2
Review of Open Water	11	7	3	4
Review of GDPR	12	7	5	2
Review of Commercial Directorate - Procurement	5	5	5	0

Internal Audit Performance

14. **Appendix E** provides information on Internal Audit performance as at 30th June 2023. The majority of the indicators are on target as at the end of June with only the percentage of agreed actions implemented by management being lower than the agreed target. Internal Audit have reviewed the outstanding actions and have concluded that many of these are currently in progress but are not at the stage of being fully implemented.

Public Sector Internal Audit Standards

15. In order for members and senior officers to be able to place reliance on the Internal Audit Service and the annual audit opinion, the service is required to conform with the Public Sector Internal Audit Standards (PSIAS).
16. To be able to demonstrate conformance, a self-assessment is undertaken on an annual basis, with an external validation once every 5 years. The external validation took place in June / July and the report is now attached at **Appendix F**.
17. It is pleasing to note that the service fully conforms with the PSIAS with the exception of some minor process improvements which will be implemented over the next few months.

Climate change and air quality

18. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Agenda Item 6

Equality and diversity

19. The material presented and discussed in this report has not direct implications on equality and diversity.

Risk

20. Risks are considered and highlighted throughout the report.

Comments of the Statutory Finance Officer

21. Not applicable.

Comments of the Monitoring Officer

22. Not applicable.

Background documents

There are no background papers to this report.

Appendices

Appendix A – Internal Audit Plan April 23 to September 23
Appendix B - Internal Audit Review of Sundry Debtors – Aged Debts
Appendix C – Internal Audit Review of Building Control
Appendix D – Internal Audit Review of Data Quality
Appendix E – Internal Audit Performance Indicators as at 30th June 2023.
Appendix F – Peer Review of Internal Audit against the UK Public Sector Internal Audit Standards.

Report Author:	Email:	Telephone:	Date:
Dawn Highton (Head of Audit & Risk)	dawn.highton@southtribble.gov.uk	01772625625	11.9.23

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Internal Audit Plan - April 2023 to September 2023	QTR	Status of Review	Assurance Rating
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CORPORATE AREAS			
Annual Governance Statement	1	Complete	Not applicable
Anti-Fraud & Corruption	ALL	On-going over the 12 months	Not applicable
NFI	ALL	On-going over the 12 months	Not applicable
CUSTOMER & DIGITAL			
Customer Services			
Revenues and Benefit project support	ALL	On-going over the 12 months	Not applicable
Council Tax	2	In progress	
Sundry Debtors – Aged Debts	1	Complete	Limited
CAPITA migration	1	To be deferred	
ICT			
Physical Security	2	In progress	
Neighbourhoods			
Closed Graveyards	2	To be deferred	
PROPERTY AND PLANNING			
Building Control	1	Complete	Adequate
Commercial Directorate Development Group	ALL	On-going over the 12 months	Not applicable
Project support	ALL	On-going over the 12 months	Not applicable
CHANGE AND DELIVERY			
Performance Management / Data Quality	1	Complete	Adequate
Driver Licence checks	2	In progress	
GOVERNANCE			
General Data Protection Regulations	2	In progress	
GENERAL AREAS			
Post Audit Reviews	ALL	On-going over the 12 months	Not applicable
Contingency / Irregularities	ALL	On-going over the 12 months	Not applicable
PSIAS – Peer Review	ALL	Complete	Not applicable
Residual Work from 2022-2023	1	Complete	Not applicable
Committee Reporting / Effectiveness Review	All	On-going over the 12 months	Not applicable

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Chorley Council & South
Ribblesdale Council

Final
Internal Audit Report

Sundry Debtors – Aged Debts

2023/24

Audit Assurance: Limited
Auditor: David Holgate/Jacqui Murray
Date Issued: 9th August 2023



WORKING TOGETHER

Reason for the Audit & Scope	
1	<p>The sundry debtor system is the mechanism in place for the collection and recording sums of money due to the Council which is not accounted for by the specialist systems used for Council Tax and Non - Domestic Rates. The Council endeavours to recover all sundry income raised to maximise income, as failure to recover debt or identify balances for write off can impact on budget setting and available reserves.</p> <p>This review will focus on the policies and procedures in place for the collection of aged debt to ensure compliance with the principles outlined within the Council's Fair Collection Charter.</p> <p>The review is included in the 2023/24 Annual Audit Plan approved by the Governance Committee on the 7th March 2023 at South Ribble and the 15th March 2023 at Chorley.</p>

Audit Objectives	
2	The overall objective of the audit was to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are being sufficiently managed.
3	The audit also assessed the effectiveness of the various other sources of assurances using the three lines of defence methodology.
4	The audit will focus on specific risks where the controls in place mitigate a gross red / amber risks to a residual green risk. In addition, all fraud risks and performance management data will be included within our work.

Audit Assurance	
5	A full risk-based review of Sundry Debtors has been undertaken regularly over the last 5 years. This review will focus solely on sundry debtor aged debts and adherence to the Fair Collection Charter to provide assurance or otherwise that debt recovery processes have been re-established after a period of suspension during Covid-19.
6	The Head of Internal Audit is required to provide the Governance Committee with an annual audit opinion on the effectiveness of the overall control environment operating within the Council and to facilitate this each individual audit is awarded a controls assurance rating. This is based upon the work undertaken during the review and considers the reliance we can place on the other sources of assurance.
7	<p>A Fair Collection Charter (Charter) was formally approved by Full Council at each authority in February 2022 to ensure an ethical approach to debt collection including a more supportive recovery process and a reduction in the use of debt collection agencies however, further work is required to embed the principles of the Charter across both organisation's as there was a general lack of awareness of its existence outside of the immediate Debtor Team. Widespread officer training on the Council's debt recovery process has not been provided for a number of years. To improve awareness of the Charter and maintain focus on the collection of Council income, policies and procedures should be reviewed and relaunched, and training provided to all service areas with debt recovery responsibilities.</p> <p>Our review identified that the finance system has the appropriate parameters to ensure invoices are raised, timely reminders are issued, and memos are sent to the relevant service areas to advise of unpaid sums. However, the following weaknesses/issues were identified outside of the automated processes within the sampled debtors that may impact the ability to recover unpaid sums:</p> <ul style="list-style-type: none"> • A reduced level of proactivity from service areas tasked with contacting customers to seek unpaid invoices after unsuccessful reminders. • Poor/inconsistent communication between the service area and the Debtor Team resulting in a high number of cases not progressing to the next recovery stage;

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

- A fully completed and up to date record of recovery action undertaken was not maintained by a number of service areas reviewed therefore, we are unable to ascertain whether all required recovery actions have been undertaken in good time to help aid successful recovery;
- A reduced level of proactivity from the Debtor Team due to a lack of capacity and officers holding additional responsibilities outside of the debtor role.

There is a high risk that the level of sundry debt owed to both Council's will continue to increase without sufficient dedicated debtor resource in place to facilitate a cohesive, consistent and proactive approach to debt recovery. It was acknowledged during the course of the review that there had been a loss of tacit knowledge with experienced officers leaving both Councils. Recruitment is currently ongoing however; the benefits of this recruitment will not be realised immediately due to the period of time required for induction and bespoke debtor training.

In addition to the weaknesses identified above, reliance is placed on the Aged Debtor reports to inform service areas of unpaid invoices so that proactive action can be taken and/or service provision suspended. A significant proportion of reports are not automatically issued/emailed to service areas as appropriate departmental recipients had not been identified. If service areas are not provided with regular up to date information regarding the status of unpaid invoices there is the risk that the Council will continue to provide a service that the customer is unable to pay for, and allow large amounts of irrecoverable debt to accumulate.

For these reasons, a **Limited** assurance rating has been awarded for this review. There are a number of improvements to be made to strengthen the current operational arrangements which are detailed in the action plan at Appendix B.

Control Rating Key

Full – the Authority can place complete reliance on the controls. No control weaknesses exist.

Substantial - the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.

Adequate - the Authority can place only partial reliance on the controls. Some control issues need to be resolved.

Limited - the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

Risk and Controls	Control Evaluation
Risk 1 – Council has failed to set out its approach to the recovery of sundry debtor income.	
Fair Collection Charter Introduced	Working as intended
Fair Collection Charter formally approved	Working as intended
Awareness of the Fair Collection Charter	Action 1
Fair Collection Charter readily accessible	Action 1
Risk 2 – Lack of policies and procedures in place leading to inconsistent application of the fair collection charter.	
Collection policies and procedures do not support the Charter implementation	Action 1
Training provided for responsible officers	Action 2
Procedural oversight by dedicated officer	Action 3
Risk 3 – Lack of compliance with the principles of the Charter and the processes outlined in supporting policies/guidance.	
Procedural oversight by dedicated officer	Action 3
Adherence to Charter/policies/procedures	Action 3, 4 & 7
Audit trail of debt collection activities undertaken	Action 3, 4 & 7
Aged debt reports issued to appropriate officers	Action 5
Performance indicators in place to monitor levels of sundry debt	Action 6

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

AUDIT ASSURANCE

Three Lines of Defence

Audit Area	1 st Line	2 nd Line	3 rd Line	Internal Audit opinion
Sundry Debtors	Revenues Team/Service Areas	Finance	Internal Audit	Reliance cannot be placed on the first line of defence as outside of the Revenues team, there is a general lack of awareness of the Council's Fair Collection Charter and there is evidence of an inconsistent approach to debt recovery.

Risk and Control Evaluation

Risks Examined	Full	Substantial	Adequate	Limited
Risk 1 – Council has failed to set out its approach to the recovery of sundry debtor income.			✓	
Risk 2 – Lack of policies and procedures in place leading to inconsistent application of the Fair Collection Charter.				✓
Risk 3 – Lack of compliance with the principles of the Charter and the processes outlined in supporting policies/guidance.				✓
OVERALL AUDIT OPINION				✓

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

MANAGEMENT ACTION PLAN

NO.	FINDING	AGREED ACTION	OFFICER & DATE
Chorley & South Ribble findings			
1	<p>A Fair Collection Charter (Charter) was formally approved by Full Council at each authority in February 2022 to ensure an ethical approach to debt collection including a more supportive recovery process and a reduction in the use of debt collection agencies.</p> <p>Testing identified that the operational policies that support the Charter, define responsibilities, and outline each Council's recovery processes have not been reviewed to ensure that they fully align with the Charter. Additionally, general awareness of the existence of the Charter was low within the service areas sampled and our review highlighted that there was little evidence of a consistent approach to debt recovery operating across all services.</p> <p>Awareness of the Charter needs to increase amongst officers tasked with debt recovery responsibilities across all service areas, and appropriate supporting procedures need to be reviewed. These need to be shared to ensure clarity of responsibility between the officers' tasked with debtor administration and the respective teams providing the service. The approved approach should be adopted across service areas to ensure that customers are being treated with a consistent approach regardless of the service they are accessing.</p>	<p>The Revenues Manager/Head of Customer Services will seek to increase organisational awareness of the Fair Collection Charter and signpost officers to the training available within the Learning Hub by publishing an article on both Councils' intranets (Connect/Loop).</p> <p>Additionally, procedures will be strengthened to ensure that debt recovery responsibilities of the debtor's team and service areas are clearly defined. The Revenues Manager/Head of Customer Services will establish agreements with service areas that will set out to clarify the following:</p> <ul style="list-style-type: none"> • recovery tasks to be undertaken and by whom; • the standard of record keeping required ensuring full audit trail; • appropriate timescales required for recovery; • what should be done when recovery action by the service area has failed. 	<p>Revenues Manager/ Alison Wilding</p> <p>October 2023</p>
2	<p>Our review identified that training has been provided historically for the collection of sundry debtor income however, it is evident that no widespread training has been provided since the adoption of the</p>	<p>To further increase awareness of the Fair Collection Charter and the associated debt recovery processes the</p>	<p>Alison Wilding</p> <p>October</p>

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

	<p>Charter at both Councils. Furthermore, testing identified that there had been a number of staff changes within the services areas sampled highlighting a lack of knowledge/experience in officers tasked with debt recovery and/or an inconsistent approach adopted due to a temporary lack of resource that has not ultimately been addressed.</p> <p>Once the Charter has been relaunched/promoted internally and a review of procedures have been undertaken, consideration should be given to providing training to all officers tasked with debt recovery responsibilities to consolidate knowledge and further embed processes.</p>	<p>Head of Customer Services will provide a report to SLT to ask managers to:</p> <ul style="list-style-type: none"> • encourage officers who have debt recovery responsibilities to complete the Fair Collection Charter training on Learning Hub; • identify any specific training needs within their team so that additional bespoke training can be provided. <p>The report will also seek to provide an overview of the Councils documented procedures for debt recovery to provide clarity in the areas highlighted in Action 1.</p>	2023
3	<p>Well established debt recovery processes are essential to ensure that income is sought and a consistent approach is maintained and our review identified that the finance system the appropriate parameters to ensure invoices are raised, timely reminders are issued and memos are sent to the relevant service areas to advise of unpaid sums. However, the following weaknesses/issues were identified outside of the automated processes:</p> <ul style="list-style-type: none"> • A reduced level of proactivity from service areas tasked with engaging with customers to seek unpaid sums. Testing identified examples where no evidence of recovery was available outside of the automated process; • Poor/inconsistent communication between the service area and the officers tasked with debtor administration resulting in a high number of cases not progressing to the next recovery stage. 	<p>As outlined in Paragraph 7 ongoing recruitment will provide additional resource to the Revenues Team after a period of induction and bespoke debtor training.</p> <p>Actions 1 & 2 will seek to address these findings to improve communication between the Revenues Team and service areas.</p> <p>The Revenues Manager will ensure that the Revenues Team liaise with Legal Services to obtain a status report of cases that have remained with Legal for a prolonged period of time and will seek to progress these cases with service areas or write off the debt as appropriate.</p>	<p>Revenues Manager/ Alison Wilding</p> <p>December 2023</p>

	<ul style="list-style-type: none"> Capacity issues within the Legal team leading to 48% of outstanding transactions on the SRBC May report stalling at this recovery stage awaiting a decision to pursue or write off. A reduced level of proactivity from the officers tasked with debtor administration due to a lack of capacity and holding additional responsibilities outside of the debtor role. <p>There is a high risk that the level of sundry debt owed to both Council's will continue to increase without sufficient dedicated debtor resource in place to facilitate a cohesive, consistent and proactive approach to debt recovery.</p>		
4	<p>The financial system is routinely used to track and monitor the stage of debt recovery a debtor has reached, and an audit trail of the automated processes was available for review. Outside of the automated process, notes and correspondence can be input into the system by the officers administering the debtors function and although testing identified that this function is utilised, accompanying information was not available for a proportion of the sample reviewed. This made it difficult to ascertain what course of action had been taken as a full audit trail of actions/outcomes was not available on the financial system for the majority of the 38 debtors sampled.</p> <p>Without a central log of debt recovery activity there is a risk that we are unable to ascertain whether all required recovery actions have been undertaken in good time to help ensure the successful recovery of unpaid sums due to the Council.</p>	<p>Actions 1 & 2 will seek to address these findings by providing clarity on the standard of record keeping required to ensure a full audit trail is maintained and retained.</p>	
5	<p>Aged Debtor reports are utilised at both Council's to provide details of all outstanding sundry debt owed. Individual service areas should be provided with a copy of this report regularly to allow them</p>	<p>The Financial Systems Manager will seek to identify the appropriate recipient officer/s within each service area to receive the regular Aged Debt reports.</p>	<p>Richard Birchall November 2023</p>

	<p>identify customers that have not paid so that proactive action can be taken and/or service provision suspended.</p> <p>Our review established that a significant proportion of the Aged Debtor reports (Chorley 26% and South Ribble 76%) are not being automatically issued/emailed as a recipient within the service area had not been assigned, mainly due to officers leaving the authority and a new recipient not being identified.</p> <p>If service areas are not provided with regular up to date information regarding the status of unpaid invoices there is the risk that the Council will continue to provide a service that the customer is unable to pay for, and allow large amounts of irrecoverable debt to accumulate.</p>	<p>A process will be developed to ensure that new recipients will be updated promptly to reflect any changes within teams i.e. starters/leavers.</p>	
6	<p>There are currently no reportable corporate performance indicators relating to the volume of debt and/or the number of debtors being administered within the Council's debt recovery process.</p> <p>Consideration should be given to identifying key performance indicators to monitor the Council's recovery efforts, maintain focus on the importance of securing Council income, and help identify factors/trends/weaknesses that impact on the rate of collection.</p>	<p>The Head of Customer Service will seek to provide a regular report of aged debts by directorate at SMT highlighting trends and potential areas for concern.</p>	<p>Head of Customer Services</p> <p>December 2023</p>
Chorley Only			
7	<p>The council reserves the right to continue with legal action against debtors who are unwilling to pay however our review identified that legal enforcement is not actively utilised at Chorley for the recovery of outstanding monies.</p> <p>Testing established that £2,187,331.80 (May 2023) is currently at the debt recovery stage 'Reviewed by exchequer' awaiting further</p>	<p>The Revenues Manager is currently overseeing a Revenues and Benefits alignment process and this stage of the aged debt recovery process will be reviewed to ensure continuity across both Councils.</p> <p>The Revenues Manager will ensure that the Revenues Team obtain a status report of cases that have remained at the stage 'Reviewed by exchequer' for a prolonged</p>	<p>Revenues Manager/ Alison Wilding</p> <p>December 2023</p>

	input, action, or a decision to 'write-off' funds that are deemed irrecoverable.	period of time and will seek to progress these cases further or write off the debt as appropriate.	
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South Ribble Borough
Council

Final
Internal Audit Report

Review of Building Control

2023/24

Audit Assurance: Adequate
Auditor: Struan Jackson/Jacqui Murray
Date Issued: 5th September 2023



WORKING TOGETHER

Reason for the Audit & Scope	
1	The Building Act 1984 and the Regulations 2010 places a legal duty on the Council to ensure building work carried out in the Borough meets the minimum standards and that buildings are accessible and provide a safe and healthy environment.
2	The review is included in the 2023/24 Annual Audit Plan approved by the Governance Committee on the 7th March 2023.
3	This review focused on the arrangements that are in place for administration of building control applications, collection of fees and site inspections. Enforcement action was not included within the scope of the review.

Audit Objectives	
4	The overall objective of the audit was to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are being sufficiently managed.
5	The audit also assessed the effectiveness of the various other sources of assurances using the three lines of defence methodology.
6	The audit will focus on specific risks where the controls in place mitigate a gross red / amber risks to a residual green risk. In addition, all fraud risks and performance management data will be included within our work.

Audit Assurance	
7	Building Control was last reviewed in 2014/15 and was awarded an adequate assurance rating.
8	The Head of Internal Audit is required to provide the Governance Committee with an annual audit opinion on the effectiveness of the overall control environment operating within the Council and to facilitate this each individual audit is awarded a controls assurance rating. This is based upon the work undertaken during the review and considers the reliance we can place on the other sources of assurance.
9	Appendix A shows the risks recorded on GRACE for Building Control and the assurance opinion awarded to each. Our evaluation of the reliance we can place on the three lines of defence is also shown.
10	<p>Our work identified that the Building Control Service adheres to the LABC Quality Management System ISO 9001:2015 that aims to deliver a consistent national service delivered at a local level, as such ISO audits are undertaken on a regular basis and the service currently hold certification confirming that their Quality Management System meets these requirements.</p> <p>The Council website provides comprehensive information and guidance to residents relating to building regulations and applicants have a number of application methods available to them, including telephone, online via the Planning Portal/Submit a Plan or downloading an application form for email submission.</p> <p>The Idox Uniform management system is utilised to retain application records and record the details of building notices with the supporting documentation and information held within a separate electronic customer file. Sample testing confirmed that records were well maintained and the Idox record aligned with the information retained within the customer files. The imminent introduction of Idox Enterprise will increase functionality and further enhance record keeping enabling an immediate link between the Idox record and the supporting correspondence/documentation.</p> <p>Sample testing identified some weaknesses in income collection and monitoring arrangements during the period sampled (January - July 2023) including:</p>

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- A number of building inspections undertaken had not been invoiced amounting to approximately £8500, with one applicant having 12 separate plots inspections to be invoiced.
- The Building Control Team are not in receipt of regular aged debtor reports to identify outstanding payments, additionally status reports are not being regularly generated from Idox to assist with income management.
- A regular reconciliation of fee income is not undertaken to help identify errors, discrepancies, or missing payments.
- Acknowledgement letters are issued on receipt of the application and associated plans however, the letters do not provide confirmation that payment has been received in full or seek payment of outstanding plan check fee where this has not been made during the application process. Including this information on the acknowledgement letter would assist with income management and reinforce the submission process for the applicant whereby the plan charge is payable when plans are deposited with the authority.

For reasons highlighted in relation to the income monitoring arrangements, an **Adequate** assurance rating has been awarded for this review. Further work is required to ensure that payment for all work undertaken by the Council is sought and recovered in good time in accordance with the Council's Fair Collection Charter and that robust income monitoring arrangements are operational. The recent recruitment of two technical support officers will further improve this area after a period of induction and job specific training has been completed.

The introduction of the Building Safety Act 2022 will bring additional requirements for the Council as a building control authority including the requirement to register with the new Building Safety Regulator in England by April 2024. An implementation action plan should be developed to ensure all required tasks and resources are clearly identified and any changes that need to be made recognised and timetabled to ensure compliance by the effective date.

Improvements to be made to strengthen the current operational arrangements are detailed in the action plan at Appendix B.

Outside the scope of this review it is also noted that the Building Control Service has been referred to the Shared Services Joint Committee as a potential opportunity to help build resilience in an area that has proved very hard to recruit to. Initial proposals have been discussed at the Shared Services Joint Committee meeting on the 24 July and further discussions/work will be undertaken with staff to ascertain what a shared service could look like.

Control Rating Key

Full – the Authority can place complete reliance on the controls. No control weaknesses exist.

Substantial - the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.

Adequate - the Authority can place only partial reliance on the controls. Some control issues need to be resolved.

Limited - the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist.

Risk and Controls	Control Evaluation
Risk 1 – Policies and procedures are not in place, leading to a failure of compliance with the Building Control Act 1984 and the Building Regulations 2010	
*Procedures and guidance in compliance with the building regulations and legislation.	Working as intended
*Comprehensive guidance and application process on Council’s website.	Working as intended
Documented procedures are in place for service and are regularly reviewed.	Working as intended
Officers have access to and are familiar with the documented procedures.	Working as intended
* Procedures conforms to ISO 9001:2015 LABC Quality Management System.	Working as intended
Risk 2 – Failure to consider changes to legislations and implement suitable controls	
The Building Control Manager is tasked with monitoring legislation and disseminating to the team.	Action 1
Building Control Officers are members of the LABC (Local Authority Building Control).	Working as intended
Risk 3 – Lack of effective income management and reconciliation processes	
*Standardised plan check fees and inspection charges.	Working as intended
*Acknowledgement letter issued.	Action 2
Applications are validated on receipt of plan fee.	Working as intended
*Surveyors calculate fees and record in Idox records management system.	Working as intended
*Inspection invoices are issued promptly.	Action 3
*Payment receipts are saved to the designated applicant folder.	Action 4
*A record of payment is retained on the Financial System - Authority Web.	Working as intended
*Debtor reports are received and actioned.	Action 5
*Regular income reconciliations are completed.	Action 6
Risk 4 – Applications are not administered promptly, decisions, notices and completion certificates are not issued within statutory time limits	
Application are processed in date order.	Working as intended
Applications input to Idox and unique identifier assigned.	Working as intended
Applications are validated on receipt of plan fee.	Working as intended
*Acknowledgement letter issued.	Action 2
Decisions subject to review by suitably qualified officer.	Working as intended
Checklist/Assessment Template utilised.	Working as intended
Approval made within 5 week limit/approval to extend received.	Working as intended
Team is adequately resourced.	See Section 8 above
Risk 5 – Lack of effective monitoring to ensure that developers and builders are complying with the Building Act 1984 and the Building Regulations 2010	
Cross service working arrangements.	Working as intended
Direct customer access to Building Control officers.	Working as intended
Building inspections are scheduled, completed, and recorded.	Working as intended
Consultation with other agencies undertaken when required.	Working as intended
*Comprehensive guidance and application process on Council’s website.	Working as intended
Referrals made to the Service are investigated.	Working as intended
Risk 6 – Failure to take appropriate action on the reporting of a dangerous building or structures	
*Comprehensive guidance and application process on Council’s website.	Working as intended
Referrals made to the Service are investigated.	Working as intended
Arrangements in place to respond to emergency calls.	Working as intended
Risk 7 – Building control records are not accurately maintained, accessible and retained in compliance with data retention requirements	
Applications input to Idox and unique identifier assigned.	Working as intended

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Application folder allocated for each applicant for supporting records.	Working as intended
*Payment receipts are saved to the designated applicant folder.	Action 4
*Decisions and building conditions are recorded on Idox.	Working as intended
*Site inspection outcomes recorded, and evidence retained.	Working as intended
*Restricted access to Building Control records.	Working as intended
Decisions subject to review by a suitably qualified officer.	Working as intended
Checklist/Assessment Template utilised.	Working as intended
Risk 8 – Unable to recruit appropriate levels of qualified and experienced staff	
Recruitment undertaken to maintain full team resource.	Working as intended
Approval to recruit is sought and received.	Working as intended
Re-assess team resource in line with changes to service/legislation	Action 1
Risk 9 – Loss of business to external building control surveyors	
The market is regularly tested to establish how competitive the service is. Building control fees are regulated.	Action 7

*Additional risks and controls identified by Internal Audit to be added to GRACE

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

AUDIT ASSURANCE

Three Lines of Defence

Audit Area	1 st Line	2 nd Line	3 rd Line	Internal Audit opinion
Building Control	Building Control Services	LABC QM system ISO 9001:2015	Internal Audit	Our review confirmed that reliance can be placed on the 1st Line of Defence, however further work is required to strengthen processes around invoicing/income monitoring. Ongoing compliance with LABC QM system ISO 9001:2015 provides assurance of consistency of process.

Risk and Control Evaluation

Risks Examined	Full	Substantial	Adequate	Limited
Risk 1 – Policies and procedures are not in place, leading to a failure of compliance with the Building Control Act 1984 and the Building Regulations 2010	✓			
Risk 2 – Failure to consider changes to legislations and implement suitable controls			✓	
Risk 3 – Lack of effective income management and reconciliation processes				✓
Risk 4 – Applications are not administered promptly, decisions, notices and completion certificates are not issued within statutory time limits		✓		
Risk 5 – Lack of effective monitoring to ensure that developers and builders are complying with the Building Act 1984 and the Building Regulations 2010		✓		
Risk 6 – Failure to take appropriate action on the reporting of a dangerous building or structures	✓			
Risk 7 – Building control records are not accurately maintained, accessible and retained in compliance with data retention requirements		✓		
Risk 8 – Unable to recruit appropriate levels of qualified and experienced staff			✓	
Risk 9 – Loss of business to external building control surveyors			✓	
OVERALL AUDIT OPINION			✓	

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

MANAGEMENT ACTION PLAN

NO.	FINDING	AGREED ACTION	OFFICER & DATE
1	<p>The introduction of the Building Safety Act 2022 will bring additional requirements for the Council as a building control authority including the requirement to register with the new Building Safety Regulator in England.</p> <p>Our work established that the Building Control Manager has an awareness of the new act and an understanding of the key changes that this legislation will bring.</p> <p>To help identify the tasks that are required and/or changes that need to be made within the timescales outlined, as well as identifying what resources may be needed, consideration should be given to developing an implementation action plan for the service.</p>	<p>The Building Control Manager has undertaken a review of the existing South Ribble Building Control Team and each Building Surveyor is suitably skilled/qualified to meet the requirements of the new Building Safety Act.</p> <p>Looking forward throughout the current shared service consultation period, service structure and job descriptions will be evaluated. Consideration will be given to the requirements of the Building Safety Act 2022 during this consultation to ensure that Building Control Officers/Shared Team are suitably resourced and qualified, possessing the correct level of qualification for the inspections that the routinely undertake.</p>	<p>Derek Terry/Elizabeth Hindle</p> <p>April 2024</p>
2	<p>Testing identified that acknowledgement letters are issued on receipt of the application and associated plans however, the letters do not provide confirmation that payment has been received in full or seek payment of outstanding plan check fee where this has not been made during the application process.</p> <p>Including this information on the acknowledgement letter would assist with income management and reinforce the submission process for the applicant whereby the plan charge is payable when plans are deposited with the authority.</p>	<p>The Building Control Manager will make enquiries of ICT to determine if IDOX Uniform has the functionality to add payment detail to the acknowledgement letter to assist with the income collection process.</p>	<p>Derek Terry</p> <p>November 2023</p>
3	<p>The Building Regulations 2010 – Principles of Charging Scheme as to payment, states:</p>	<p>Work has been undertaken to invoice and seek payment for the inspections identified with our sample. The Building Control Manager will request an update from the Technical Support Team to ascertain the current status</p>	<p>Derek Terry</p> <p>October 2023</p>

	<ul style="list-style-type: none"> Any inspection charge shall be payable on demand made after the authority carry out the first inspection in respect of which the charge is payable. <p>As such invoices should be raised following the completion of the first building inspection and the Idox records management system updated accordingly to reflect this. During our review it was identified that 26 inspections had been undertaken but not subsequently invoiced amounting to approximately £8500, with one applicant having 12 separate plots inspections to be invoiced.</p> <p>Additionally, testing also identified examples where invoices had been issued but the application status on Idox had not been updated to reflect this.</p>	<p>of these payments and will ensure going forward a report will be generated on a regular basis so that any outstanding invoicing/payment issued can be identified and remedied quickly. This requirement will be included within a wider 'Admin Plan' to be mapped out and agreed with the Technical Support Team.</p>	
4	<p>A designated folder is created for each applicant and testing confirmed that payment receipts are saved within the applicant file for plan check fees/building notice payments, however this is not routinely done for inspection fees.</p> <p>To ensure a full audit trail is maintained for each applicant consideration should be given to retaining evidence of inspection fee payments within the allocated case file and a corresponding record of this retained on Idox.</p>	<p>The Building Control Manager will ensure that all payment receipts are saved within the applicant file by the Building Control Team to maintain a full audit trail for each client.</p>	<p>Derek Terry September 2023</p>
5	<p>Testing identified that the Building Control Team are not in receipt of regular aged debtor reports to identify outstanding payments, additionally status reports are not being regularly generated from Idox to assist with income management.</p> <p>Income management could be improved if reports are regularly generated/received and actioned by the team to ensure all outstanding fees are identified and sought in a timely manner.</p>	<p>The Building Control Manager will contact the Financial Systems Team to ensure a regular aged debt report is sent to the Building Control Team for action.</p>	<p>Derek Terry September 2023</p>

6	<p>Our review identified that regular reconciliation of fee income is not undertaken.</p> <p>Periodic reconciliations can help identify errors, discrepancies, or missing payments.</p>	<p>The Building Control Manager is not aware of any specific report that can be generated from IDOX Uniform that would enable a reconciliation between Idox and the financial system, however, will seek to request appropriate 'read only' access to the Authority Financial Systems for the Technical Support Team so that payment enquiries can be readily made when required.</p>	<p>Derek Terry September 2023</p>
7	<p>Testing identified that market share testing has not been completed since December 2022 and this has historically been carried out on a more frequent basis.</p> <p>Regular testing provides an indication of the percentage market share of business that the Council is undertaking and provides an insight to how competitive the service is against private sector organisations.</p>	<p>Percentage market share is monitored and reported as a corporate PI on a quarterly basis.</p> <p>It is the intention of the Building Control Manager to review the reportable PI's for Building Control in association with the Head of Planning and Enforcement to ensure that they are meaningful, achievable and align with the objectives of the service.</p>	<p>Derek Terry/Elizabeth Hindle April 2024</p>

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South Ribble Council &
Chorley Council

Final
Internal Audit Report

Review of Data Quality 2023/2024

Audit Assurance: Adequate
Auditor: Linsey Roberts/David Holgate
Date Issued: 14th August 2023



Cert No: 20128
ISO 9001



WORKING TOGETHER

Reason for the Audit & Scope	
1	<p>The Council is committed to delivering high quality and value for money services for its residents. The achievement of this is measured and reported through its performance management framework. It is essential that reported performance information is accurately presented. Performance information is used to aid decision making and is published.</p> <p>A sample of indicators (corporate, key and local) from the most recent reporting cycle will be reviewed to ensure that accurate information relative to those indicators is compiled, recorded, retained and reported.</p> <p>The review is included in the 2023/24 Annual Audit Plan approved by the Governance Committee on the 7th March (SRBC) and 15th March (CBC) 2023.</p>

Audit Objectives	
2	The overall objective of the audit is to obtain assurance that the Corporate Performance Framework, incorporating a Data Quality Guide is applied by Directorates to deliver robust and accurate indicator output figures.
3	The audit also assessed the effectiveness of the various other sources of assurances using the three lines of defence methodology.

Audit Assurance										
4	<p>Whilst this is the first shared review of data quality, the previous assurance ratings for the individual councils are shown below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Chorley Council</th> <th>South Ribble Council</th> </tr> </thead> <tbody> <tr> <td>2021/22</td> <td>Adequate</td> <td>Adequate</td> </tr> <tr> <td>2019/20</td> <td>N/A</td> <td>Limited</td> </tr> </tbody> </table>	Year	Chorley Council	South Ribble Council	2021/22	Adequate	Adequate	2019/20	N/A	Limited
Year	Chorley Council	South Ribble Council								
2021/22	Adequate	Adequate								
2019/20	N/A	Limited								
5	The Head of Internal Audit is required to provide the Governance Committee with an annual audit opinion on the effectiveness of the overall control environment operating within the Council and to facilitate this each individual audit is awarded a controls assurance rating. This is based upon the work undertaken during the review and considers the reliance we can place on the other sources of assurance.									
6	Our evaluation of the reliance we can place on the three lines of defence is shown in Appendix A.									
7	<p>Directorates should ensure that robust data collection systems are in place to deliver reliable, timely and accurate data to decision makers.</p> <p>A significant amount of resource has been employed by the Policy and Performance Team to oversee, offer training/support to Directorates and further improvements have recently been introduced to further embed the Performance Management/Data Quality Framework, including:</p> <ul style="list-style-type: none"> • Development of service level dashboard and Performance and Policy Officer monthly meetings with heads of service; • Data quality training is now mandatory for all Collection/Responsible/Authorising Officers. <p>Disappointingly, despite the support provided and the ongoing quarterly data quality spot checking undertaken by the Performance & Policy Team, the review of Q4 (22/23) performance measures identified a significant number of issues. This can be seen in the table below and in the detailed tables in Appendix B and C.</p>									

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

	Corporate Indicator		Key Organisational Indicator		Local Indicator	
	CBC	SRBC	CBC	SRBC	CBC	SRBC
Measures incorrectly reported, not calculated in accordance with procedures or error found	2	1	1	2	2	
Data Quality checks are not robust	2	2		2	2	
Definitions/procedures need to be strengthened	3	2	1	4	3	

8 Given the issues identified, set out in appendix B & C, it is for these reasons an overall **adequate** assurance rating has been awarded for this review.

Control Rating Key
Full – the Authority can place complete reliance on the controls. No control weaknesses exist.
Substantial - the Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.
Adequate - the Authority can place only partial reliance on the controls. Some control issues need to be resolved.
Limited - the Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the ‘internal audit activity conforms to the Standards’

AUDIT ASSURANCE

Three Lines of Defence

Audit Area	1 st Line	2 nd Line	3 rd Line	Internal Audit opinion
Data Quality	Directorate Responsible Officers & Authorising Officers	Perf. & Policy Team	Internal Audit	<p>Our sample testing identified that data collection is operating effectively within some service areas however this first line of defence cannot consistently be relied upon council wide.</p> <p>The second line of defence is identifying issues and is operating as intended.</p>

In accordance with the Public Sector Internal Audit Standards, internal audit has been the subject of an independent external assessment, which concluded that the 'internal audit activity conforms to the Standards'

MANAGEMENT ACTION PLAN

NO.	FINDING	AGREED ACTION	OFFICER & DATE
1.	<p>Directorates should ensure that robust data collection systems are in place to deliver reliable, timely and accurate data to decision makers.</p> <p>Whilst it is evident that Policy and Partnership Team have continued to provide training and ongoing support to directorates key issues were still found in the written procedures and calculations that need to be addressed. The issues found demonstrated that there is a need for greater oversight of the data collection system by the responsible officers, in conjunction with the authorising officers.</p> <p>Appendix B and C above outline the specific Directorate level issues arising from this review. Internal Audit will provide details of these key areas (separate from this report) to each responsible officer to ensure that they have knowledge of the specific control weaknesses identified and can undertake remedial action.</p>	<p>The Policy and Partnership Team will liaise with the teams identified to ensure that the specific concerns highlighted have been addressed prior to the quarter 2 reporting deadline.</p> <p>Additionally, the performance team going forward will be undertaking more regular health checks in accordance with their risk assessment.</p> <p>The focus will be on corporate priority indicators which have been given an adequate/limited assurance rating.</p> <p>The report findings will be taken to the next SLT .</p>	<p>Michael Johnson and Polly Patel October 2023</p>

INTERNAL AUDIT PERFORMANCE INDICATORS AS AT 30th JUNE 2023 (Quarter one)

	Indicator	Audit Plan	Target 2023/24	Quarter One Target	Actual to Date	Comments
1	% of planned time used	SRBC	90%	50%	69%	Above target
2	% audit plan completed	SRBC	90%	22%	22%	On Target
3	% satisfaction rating (assignment level)	SRBC	90%	90%	94%	Above Target
4	% of agreed actions implemented by management	SRBC	90%	90%	65%	See body of the report
		SS	90%	90%	74%	

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**SOUTH RIBBLE BOROUGH COUNCIL AND CHORLEY
BOROUGH COUNCIL AUDIT AND RISK SERVICE**

**PEER REVIEW OF INTERNAL AUDIT AGAINST THE UK
PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

JUNE/JULY 2023

September 2023

Review Team

*Colin Ferguson, Head of Audit & Assurance Blackburn with Darwen Borough
Council*

Dawn Allen, Audit, Risk and Performance Lead, Wyre Council

Ian Evenett, Internal Audit Manager, Burnley Borough Council

1 Introduction

- 1.1 All principal local authorities and other relevant bodies subject to the Accounts and Audit (England) Regulations 2015 (amended), the Accounts and Audit (Wales) regulations 2005, section 95 of the Local Government (Scotland) Act 1973 and the Amendment to the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2006 must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) as well as the (CIPFA) Local Government Application Note.
- 1.2 A professional, independent and objective internal audit service is one of the key elements of good governance in local government.
- 1.3 The PSIAS require that an external assessment of an organisation's internal audit function is carried out once every five years by a qualified, independent assessor or assessment team from outside of the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.
- 1.4 The Lancashire Districts Chief Auditor Group (LDCAG) has established a 'peer-review' process that is managed and operated by the constituent authorities. This process addresses the requirement of external assessment by 'self-assessment with independent external validation' and this report presents the summary findings of the review carried out on behalf of Chorley and South Ribble Borough Councils.
- 1.5 "An independent assessor or assessment team means not having either a real or an apparent conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs." This review has been carried out by the Heads of Internal Audit at Burnley and Blackburn with Darwen Borough Councils and the Audit, Risk and Performance Lead at Wyre Borough Council. Their 'pen pictures', outlining background experience and qualifications, are included at Appendix A.

2 Approach/Methodology

- 2.1 The LDCAG has agreed a detailed Memorandum of Understanding (MoU) that outlines the broad methodology for the conduct of this review. A copy of the MoU is available upon request. However, in summary, the key elements of the process are:
 - The peer review is undertaken in three stages: pre-review; on-site review; post-review and covers audit activity during the period covered in the latest Head of Internal Audit Annual Report and Opinion. For example, reviews commencing after 1 July 2020 will cover the audit year 1 April 2019 to 31 March 2020.
 - Each authority is required to complete and share its self-evaluation of the Internal Audit service together with any relevant supporting evidence/documentation in advance of on-site review commencement. The LDCAG has agreed that the self-assessment will use the **CIPFA Local Government Application Note (LGAN)** questionnaire. Typically,

supporting evidence will include the Internal Audit Plan & Charter, The Head of Internal Audit Annual Report and Opinion, Quality Assurance and Improvement Programme and examples of final audit reports.

- To support the remote or on-site review, a customer survey form will be issued to key personnel within the authority being reviewed.
- The review itself comprises a combination of ‘desktop’ and ‘actual on-site’ or remote review.
- The review cannot reasonably consider all elements of the LGAN self-assessment and the review team must use the ‘desktop’ period to determine strengths, weaknesses and subsequent key lines of enquiry in order that the review itself is risk-based, timely and adds real value. Each authority will be assessed against the four broad themes of: Purpose and Positioning; Structure and Resources; Audit Execution; and Impact.
- Upon conclusion, the Review team offers a ‘true and fair’ judgement and it is proposed that each Authority will be appraised as **Conforms**, **Partially Conforms** or **Does Not Conform** against each thematic area of the LGAN, from which an aggregation of the four themed scores gives an overall Authority score.

3 Summary Findings

3.1 Following a detailed examination process, the review team has concluded the following judgements:

Area of Focus	Judgement
Purpose & Positioning	Conforms
Structure & Resources	Conforms
Audit Execution	Conforms
Overall Judgement:	Conforms

Assessment against the individual elements of each area of focus is included in the table at Appendix B

3.2 Positive Observations (i.e. good practice, innovation)

3.2.1 Internal Audit is seen as a professional and well-respected service with capable officers that have the full support of management and members.

3.2.2 The internal audit service is a shared service which reports to two separate Governance Committees (Audit Committees). The team operate a six month audit plan for each council which means that there are four audit plans to manage, this is done effectively by the team.

3.3 Significant Observations (i.e. leading to a 'does not conform' judgement)

3.3.1 No significant observations of non-conformance were identified.

3.4 Minor Observations (i.e. areas for improvement/development, minor elements of non-conformance, gaps in 'good practice' statement).

3.4.1 There is a regular sign up of staff to evidence the compliance with conflict of interest requirements but this could be widened to include ethics and standards covered by the PSIAS. (4.1 and 1120).

3.4.2 There was evidence of review of working papers and reports for engagements, however this was in the form of emails. This could be incorporated into the Audit Engagement – Quality Control Checklist (1310) and formally recorded.

3.4.3 Some of the documentation provided (specifically the Charters) need to be updated to match the latest Job titles. (1000).

3.4.4 The Council's own internal review had identified that they had not assessed how they compare themselves against CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption (2120). This has therefore been included in the 2022/3 Annual Governance Statement.

3.4.5 The Annual Opinion Report does not include any specific reference to any scope or resource limitations placed on the service during the year or any other issues that the CAE judges is relevant to the preparation of the governance statement. (2450).

3.5 PSIAS Action Table (Details any suggested actions to improve the service, its status or impact and quality of the service provided) Appendix C.

Review Team

Colin Ferguson

Colin is a fully qualified member of the Association of Chartered Certified Accountant with 31 years' experience of internal audit in the local government sector. He is currently Head of Audit & Assurance for Blackburn with Darwen Borough Council. Colin started his finance career working in external audit in the private sector with KPMG. Prior to joining Blackburn Colin worked in internal audit with Lancashire County Council. Colin manages the preparation and delivery of the Blackburn annual audit plan across a wide range of Council services and schools. His responsibilities also include insurance and risk management.

Dawn Allen

Dawn is the Audit, Risk and Performance Lead at Wyre Borough Council and has over 20 years of audit experience. She is a fully qualified member of the Association of Accounting Technicians, has completed her IIA Certificate in Internal Audit and Business Risk and is currently gathering her evidence base to become a fully qualified Chartered Internal Auditor through the Institute of Internal Auditors experience route.

Ian Evenett

Ian is the Internal Audit Manager at Burnley Borough Council. His internal audit experience spans over 30 years. He is a part qualified member of CIPFA and has specialisms in computer and contract audit areas. His experience includes London Authorities and District Councils.

Appendix B

Detailed Assessment

PSIAS Ref		Conforms	Partially conforms	Does not conform	Comments
Purpose & positioning					
1000	• Remit	X			See 3.4.3
1000	• Reporting lines	X			
1110	• Independence	X			See 3.4.1
2010	• Risk based plan	X			
2050	• Other assurance providers	X			
Structure & resources					
1200	• Competencies	X			
1210	• Technical training & development	X			
1220	• Resourcing	X			
1230	• Performance management	X			
1230	• Knowledge management	X			
Audit execution					
1300	• Quality Assurance & Improvement Programme	X			See 3.4.2
2000	• Management of the IA function	X			See 3.4.4
2200	• Engagement planning	X			
2300	• Engagement delivery	X			
2400	• Reporting	X			
2450	• Overall opinion	X			See 3.4.5

Conforms	X	Partially Conforms		Does Not Conform	
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South Ribble Borough Council and Chorley Borough Council Shared Assurance Service – PSIAS Action Table

The following points for consideration to develop the Audit Function arise from the review undertaken:

PSIAS Ref (Appendix 2)	Report ref	Point For Consideration	Responsible	Action
1120	3.4.1	There is a regular sign up of staff to the compliance with conflict-of-interest requirements but this could be widened to include ethics and standards covered by the PSIAS	Head of Audit and Risk	Conflict of interest will be strengthened to include ethics and standards.
1310	3.4.2	There was evidence of review of working papers for engagements, however this was in the form of emails. This could be incorporated formally recorded into the Audit Engagement – Quality Control Checklist		<p>Whilst this action is acknowledged, it is not accepted. The beginning of each year has a standing item on the IA team meeting agenda regarding IA procedures and this is used to identify ways to work more efficiently and streamline our operations.</p> <p>As we are only a small team providing a comprehensive audit service to 2 separate authorities and 2 wholly owned companies, we have tried to actively reduce any surplus documentation that does not add any additional value / evidence.</p>

PSIAS Ref (Appendix 2)	Report ref	Point For Consideration	Responsible	Action
1000	3.4.3	Some of the documentation provided (specifically the charters) need to be updated to match the Job titles.	Head of Audit and Risk	All I A documentation will be reviewed to ensure all job titles are updated.
2120	3.4.4	The Council's own internal review had identified that they had not assessed how they compare themselves against CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption (2120). This has therefore been included in the 2022/3 Annual Governance Statement.	Head of Audit and Risk	As per AGS action plan
2450	3.4.5	The Internal Audit Annual Opinion Report should include commentary on any impairments or restrictions in scope or resources placed on it during the year and any other issues that the CAE judges are relevant to the preparation of the governance statement. Where no issues are noted, consider including a statement to this effect.	Head of Audit and Risk	Additional wording to be added to the annual report.

Agenda Item 7



Report of	Meeting	Date
Head of Audit and Risk	Governance Committee	Tuesday, 26 September 2023

Governance Committee Effectiveness Review

Is this report confidential?	No
Is this decision key?	No

Purpose of the Report

1. To evaluate the Council's compliance with the Chartered Institute of Public Finance & Accountancy (CIPFA) guidance, "Audit Committees – Practical Guidance for Local Authorities and Police 2022" and to present details of the review of the self-assessment of good practice contained within the guidance.

Recommendations

2. That the Committee notes the report and considers and comments on the self-assessment of good practice and the subsequent actions;
3. The Committee consider the appointment of independent members.

Reasons for recommendations

4. The Governance Committee is a key component of governance. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements.

Other options considered and rejected

5. Not applicable

Corporate priorities

6. The report relates to the following corporate priorities: (Please bold one)

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Agenda Item 7

Background to the report

7. The purpose of the Governance Committee is to provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.
8. As presented at the meeting in August, CIPFA have issued "Audit Committees – Practical Guidance for Local Authorities and Police 2022". This sets out the functions, operations, roles, and responsibilities of audit / governance committees in local authorities and represents best practice.
9. A key aspect of the guidance is evaluating and developing the Committee's effectiveness. The guidance states that "the committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Evidence of effectiveness will usually be characterised as influence, persuasion, and support. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership are essential requirements for delivering effectiveness."

Self-Assessment of Good Practice

10. The guidance incorporates a Self-Assessment of good practice which has been completed and details of the assessment are included at **Appendix A**.
11. The self-assessment contains the following areas for improvement:

TERMS OF REFERENCE
12. The CIPFA guidance incorporates a model terms of reference. An initial comparison with the current ToR was undertaken and identified that there are only minor amendments required and that the Governance Committee is already operating in line with the model terms of reference. This work will be undertaken, and a revised Terms of Reference will be brought back to the Committee at a later date.

SKILLS & KNOWLEDGE
13. CIPFA'S guidance acknowledges that there is a range of knowledge and experience that Members can bring to the Committee to enable it to perform effectively. It emphasises that there are core areas of knowledge that are beneficial for all Committee Members to have.
14. Contained within the guidance, is a Knowledge and Skills self-assessment. The purpose of this is to ensure that members are fully equipped to meet the requirements of the best practice guidance and terms of reference of the Committee. Members have recently completed, and the shared results are shown at **Appendix B**. These results will be analysed alongside Democratic Services and a training plan developed to address any identified training needs.

Agenda Item 7

INDEPENDENT PERSON

15. CIPFA recommend the use of two independent members with the objective being to increase the knowledge and experience base of the committee, and therefore reinforcing its independence.
16. The reasons for CIPFA's recommendation are:
 - To supplement the knowledge and experience of elected representatives in specific areas, such as audit or financial reporting;
 - To provide continuity outside of the political cycle;
 - To help achieve a non-political focus on governance, risk, and control matters;
 - Having two independent members rather than one will allow recruitment of members with different but complementary knowledge and experience, increase the resilience and continuity of the committee;
 - Having two independent members shows a commitment to supporting and investing in the committee.
17. Whilst the guidance is clear that the appointment of independent persons is not a requirement, the Committee should consider the appointment of an independent person to support its work.

ANNUAL REPORT

18. It has been agreed with the Chair of the Governance Committee that a report will be published on an annual basis and considered by the Committee before being presented at full council at the meetings in May. This report will incorporate the review of effectiveness of the Committee and also obtain feedback from those interacting or place reliance on the work of the Committee.

CIPFA Training

19. A mandatory training day has been arranged for all members of the Governance Committee on the 30th October 2023. This will be shared with Chorley Council Governance Committee members and an example programme is attached at **Appendix C**.

Climate change and air quality

20. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

21. The material presented and discussed in this report has not direct implications on equality and diversity.

Agenda Item 7

Risk

22. Risks are outlined in the body of the report.

Comments of the Statutory Finance Officer

23. No comment.

Comments of the Monitoring Officer

24. No comment.

Background documents

Audit Committees: Practical guidance for local authorities and police.

Appendices

Appendix A – Self Assessment of Good Practice
Appendix B - Shared Skill and Knowledge responses
Appendix C - CIPFA training programme.

Report Author:	Email:	Telephone:	Date:
Dawn Highton (Head of Audit & Risk)	dawn.highton@southribble.gov.uk	01772625625	15.9.23

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
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Audit committee purpose and governance					
1. Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?	✓			The Governance Committee undertakes the role of Audit Committee. The Governance Committee does not have any additional functions.	
2. Does the audit committee report directly to full council? (applicable to local government only)	✓			The Governance Committee reports to Full Council. A general report of each Governance meeting held is submitted for consideration.	
3. Has the committee maintained its advisory role by not taking on any decision-making powers?	✓			The committee reviews, considers and monitors the Council's Governance, Risk and Control environment and does not have any decision-making powers.	
4. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?		✓		The Council has adopted the terms of reference contained within the CIPFA Audit Committee Guidance 2018 in March 2021. This covers the same common themes as the CIPFA 2022 Position Statement.	Terms of Reference to be reviewed and updated to incorporate the revised CIPFA 2022 Position Statement and guidance.
5. Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	✓			All members of the committee receive training following their appointment to the Committee on their roles. New managers receive introduction to Audit and Risk Training from the Head of Service – Audit & Risk to ensure awareness and understanding.	

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
6. Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?	✓			The Governance Committee can refer concerns to Full Council should there be a need to escalate issues.	
7. Does the governing body hold the audit committee to account for its performance at least annually ?			✓	A review of the effectiveness of the Governance Committee was last undertaken in March 2021.	Standard of performance against recommended practice will be reviewed annually and presented to the Committee at the November meetings.
8. Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 			✓	A general report of each Governance meeting held is submitted for consideration to Full Council. No evidence of an annual report being produced.	Annual report to be published and presented to Full Council at the meetings in May
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 			✓	As above	
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 			✓	As above	
Functions of the committee					

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
9. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?				The Council has adopted the terms of reference contained within the Audit Committee Guidance 2018 in March 2021.	Terms of Reference to be reviewed and updated to incorporate the revised CIPFA 2022 Position Statement and guidance.
<ul style="list-style-type: none"> Governance arrangements 		✓		Section 1-10 Governance Risk and Control	
<ul style="list-style-type: none"> Risk management arrangements 	✓			Section 1-10 Governance Risk and Control	
<ul style="list-style-type: none"> Internal control arrangements, including: <ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 	✓			Section 31-33 Financial Reporting Section 1-10 Governance Risk and Control	
<ul style="list-style-type: none"> Annual governance statement 	✓			Section 1-10 Governance Risk and Control	
<ul style="list-style-type: none"> Financial reporting 		✓		Section 31-33 Financial Reporting	
<ul style="list-style-type: none"> Assurance framework 	✓			Section 4 Governance, Risk and Control	
<ul style="list-style-type: none"> Internal audit 	✓			Section 11-23 Internal Audit	
<ul style="list-style-type: none"> External audit 		✓		Section 24-30 External Audit	
10. Over the last year, has adequate consideration been given to all core areas?	✓			Adequate consideration has been given to the AGs and Governance, Internal Audit, External Audit, Risk Management and Financial Reporting.	

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
11. Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	✓			Over the last year the Governance Committee has considered the following wider functions: <ul style="list-style-type: none"> • Treasury Management – Annual report and monitoring • Scrutiny of Financial Affairs - Draft Core Financial Statements • Supporting Corporate Improvements – Centre for Governance and Public Scrutiny Review • Considering Matters at the Request of SO other Committees – Changes to Constitution re Planning Committee procedures. 	
12. Has the committee met privately with the external auditors and head of internal audit in the last year?	✓			The committee has not collectively met privately with the external auditors and head of internal audit in the last year however, this would occur should a particular situation arise.	
Membership and Support					
13. Has the committee been established in accordance with the 2022 guidance as follows? <ul style="list-style-type: none"> • Separation from executive 	✓			No members of the Governance Committee are members of the Executive Cabinet.	

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
<ul style="list-style-type: none"> A size that is not unwieldy and avoids use of substitutes 	✓			<p>Governance Committee comprises of 7 members.</p> <p>Committee also has reserve members.</p>	
<ul style="list-style-type: none"> Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 			✓	The Governance Committee does not have any co-opted independent members.	Committee to consider the Inclusion of independent members
14. Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	✓			<p>Assessment of member skills and knowledge was undertaken in 2023.</p> <p>Member Training – Member Induction Marketplace June 2023.</p> <p>Member Development Programme – Governance Committee Training May 2023.</p>	
15. Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?		✓		Assessment of member skills and knowledge was undertaken in 2023.	Skills and knowledge responses to be analysed and training plan developed to address identified needs.
16. Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	✓			Training has been provided to Governance Committee members by the Head of Internal Audit and Monitoring Officer during 2022/23 covering all core areas.	

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
				Further training is to be provided on the role of the Audit / Governance Committee is to be held on the 30 th October 2023.	
17. Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?		✓		Recent training provided, as above. Assessment of member skills and knowledge was undertaken in 2023.	Skills and knowledge responses to be analysed and training plan developed to address identified needs.
18. Is adequate secretariat and administrative support provided to the committee?	✓			All meetings are attended by a member of the Democratic Services who support the Committee with their secretariat and administrative needs. All agendas and minutes of the meetings are published on the Council's website.	
19. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	✓			External Audit, Chief Financial Officer, Head of Audit and Monitoring Officer attend the majority of meetings. Senior Management attend to provide further information as required.	
Effectiveness of the committee					
20. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			✓	No formal feedback has been sought by the Committee.	General feedback will be sought as part of a wider committee self-assessment. Results to be reported in the Annual report

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
21. Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	✓			During 2022/23 the Committee operated with an experienced Chair and meetings were well conducted. A new Chair in place with effect from May 2023 who has experience of the committee and as a Deputy Chair.	
22. Are meetings effective with a good level of discussion and engagement from all the members?	✓			Good engagement levels from members. Evidenced in meeting minutes.	
23. Has the committee maintained a non-political approach to discussions throughout?	✓			Good engagement levels from members. Non-political approach evidenced in meeting minutes.	
24. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✓			Review summaries and information on outstanding audit actions are provided to Committee on a regular basis. Senior officers have attended the meetings to present reports on subject matters appropriate for the committee or to provide background and updates on areas identified as requiring improvement.	
25. Does the committee make recommendations for the improvement	✓			Good levels of discussion evidenced in the committee meeting minutes and via recordings	

Self-assessment of good practice 2023

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

Good practice questions	Yes	Partly	No	Comments	Further Actions
of governance, risk and control arrangements?				of meeting available publicly on YouTube in relation to governance, risk and control.	
26. Do audit committee recommendations have traction with those in leadership roles?	✓			As above	
27. Has the committee evaluated whether and how it is adding value to the organisation?			✓	This will be assessed as the feedback is obtained and the annual report developed.	Refer to actions above.
28. Does the committee have an action plan to improve any areas of weakness?		✓		An action plan was developed and reported to Committee March 2021 (following the last self assessment). All actions were completed	The results of this self assessment and the skills and knowledge questionnaire by all Committee members will further inform an updated action plan.
29. Has this assessment been undertaken collaboratively with the audit committee members?		✓		An action plan was developed and reported to Committee March 2021. This was formally noted and accepted.	

Chorley and South Ribble Council Governance Committee Knowledge and Skills Framework 2023

Question	1 = hardly ever/ poor	2 = occasionally/ inadequate	3 = most of the time/ satisfactory	4 = all of the time/ good	N/A = not applicable	Total number of responses
<p>1. Organisational knowledge</p> <p>An overview of the governance structures of the authority and decision-making process.</p> <p>Knowledge of the organisational objectives and major functions of the authority.</p>	1	3	5	2	0	11
<p>2. Governance Committee role and functions</p> <p>An understanding of the committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements.</p> <p>Knowledge of the purpose and role of the Governance Committee.</p>	0	2	6	3	0	11
<p>3. Governance</p> <p>Knowledge of the seven principles as outlined in the Delivering Good Governance in Local Government Framework (CIPFA/Solace 2016). and the requirements of the Annual Governance Statement (AGS).</p> <p>Knowledge of the local code of governance.</p>	1	3	5	2	0	11
<p>4. Internal Audit</p> <p>Members are aware of the key principles of the Public Sector Internal Audit Standards and the Local Government Application Note.</p> <p>Members have knowledge of the arrangements for the delivery of the internal audit service in the authority and the charter. Knowledge of how the role of the head of internal audit is fulfilled. Details of the most recent external assessment and level of conformance with the standards. Internal Audit's strategy, plan and most recent annual opinion.</p>	2	0	8	1	0	11

<p>5. Financial management and accounting</p> <p>Members have an awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. Members have an understanding of good financial management practice as set out in CIPFA Financial Management Code and the level of compliance with it. Knowledge of how the organisation meets the requirements of the role of the Chief Financial Officer, as required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.</p>	1	4	4	2	0	11
<p>6. External Audit</p> <p>Members have knowledge of the role and functions of the external auditor and who currently undertakes this role. Members have knowledge of the key reports and assurances that external audit will provide. Familiarity with the auditor's most recent plan and opinion reports.</p> <p>Members know about the arrangements for the appointment of auditors and quality monitoring undertaken.</p>	1	2	5	3	0	11
<p>7. Risk management</p> <p>Members have an understanding of the principles of risk management, including how it supports good governance and decision making. Members have knowledge of the risk management policy and strategy of the organisation. Members have an understanding of risk governance arrangements, including the role of members and the Governance Committee. Knowledge of the current risk maturity of the organisation and any key areas of improvement.</p>	1	1	7	2	0	11
<p>8. Counter-fraud</p> <p>Members have an understanding of the main areas of fraud and corruption risk the organisation is exposed to. Members have knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud</p>	1	3	7	0	0	11

and Corruption (CIPFA 2014) and knowledge of the organisation's arrangements for tackling fraud.						
9. Values of good governance Members have knowledge of the Seven Principles of Public Life. Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff and knowledge of the whistleblowing arrangements in the authority.	0	3	6	2	0	11
10. Treasury Management Members are aware of the assessment tool for reviewing the arrangements "Effective Scrutiny of Treasury Management" The key areas of knowledge are: <ul style="list-style-type: none"> • regulatory requirements; • treasury risks; • the organisation's treasury management strategy; the organisation's policies and procedures in relation to treasury management.	5	2	4	0	0	11
11. Strategic thinking & understanding of materiality Members are able to focus on material issues and the overall position rather than being side tracked by detail.	0	5	5	0	0	10
12. Questioning and Constructive Challenge Members are able to frame questions that draw relevant facts and explanations. Members are challenging performance and seeking explanations while avoiding hostility and grandstanding	0	2	6	2	0	10
13. Focus on improvement Members ensure there is a clear plan of action and allocation of responsibility.	0	4	5	1	0	10
14. Ability to balance practicality against theory	0	2	7	0	0	9

Members are able to understand the practical implications of recommendations to understand how they might work in practice.						
15. Clear Communications skills and focus on the needs of users Members support the use of plain English in communications, avoiding jargon and acronyms etc.	0	0	7	3	0	10
16. Objectivity Members evaluate information on the basis of evidence presented and avoiding bias or subjectivity.	0	2	7	1	0	10

CIPFA Better Governance Forum

Introduction to the Knowledge and Skills of the Audit Committee

In house delivery – venue provided by client

Date

Purpose

This course is intended for audit committee members and officers who work closely with the committee. It covers key areas of responsibility and brief committee members on current guidance. It will help you to make a more effective contribution to your audit committee and support your committee to improve its overall impact.

During the webinar we will encourage discussion, questions and sharing of experiences with audit committees. Delegates are welcome to contact the organiser in advance to highlight specific areas.

Learning Outcomes

By the end of this course you will:

- Understand the wider roles and responsibilities of the audit committee and the importance of gaining assurance
- Know how current developments will impact on the work of your committee and shape its agenda.
- Be better placed to work with your internal auditors, including understanding the requirements of the Public Sector Internal Audit Standards
- Appreciate how the audit committee should work with others to improve the management of its organisation's risk
- Have improved the practical skills required of committee members
- Have developed an appreciation of where an audit committee can add value and how to demonstrate its effectiveness.

Who Will Benefit

This course is designed for audit committee members in the public sector, both elected and independents. Officers who support audit committees will find this course a useful opportunity to gain an unfettered view of what members really expect of them.

Programme

09:45 – 10:00

Refreshments

10:00 – 10:10

Introductions and welcome

10:10 – 10:40

Thinking about assurance and the role of the committee

- The scope of audit committee terms of reference
 - Key areas of responsibility
 - The importance of assurance
-

10:40 – 11:30

CIPFA Position Statement on Audit Committees 2022

CIPFA has updated its Position Statement outlining the key requirements of an audit committee in local government. This session will highlight the main changes and where audit committee members need to focus.

11:30 – 11:45

Break

11:45 – 12:40

Internal audit and the audit committee

- An overview of the professional standards for internal audit (the *Public Sector Internal Audit Standards*), with a particular focus on the role of the audit committee
 - Developing effective working relations with the head of internal audit
 - Getting the best out of internal audit
-

12:40 – 13.40

Lunch

13:40 – 14:20

Risk management and the audit committee

- The audit committee's role in risk management
 - Strengths and weaknesses in an organisation's approach to risk management – what the audit committee should look for
 - Supporting better management of risk and understanding the organisation's risk appetite. How the audit committee can help
-

14:20 – 14:30

Break

14:30 – 15:00

Planning assurance

- Different sources and types of assurance
- How to assess the value of assurance
- Assurance planning, including the three lines model

15:00 – 15:45

Developing your skills and improving effectiveness

- This session will consider any problems that can disrupt the effective working of an audit committee, highlighted either during the webinar or in advance, and give practical hints and tips to address them.
- The factors that contribute to the effectiveness of the committee and the importance of regular review and evaluation, including some tools to do this

15:45 – 16:00

Summary and discussions

16:00

Close

The facilitator for the event will be tbc



CIPFA Sustainability Policy

CIPFA is delivering all of our training courses, workshops and seminars in accordance with our sustainability strategy. We do not provide hardcopy course materials to delegates and these are now distributed by email in advance of the event. We are striving to reduce our carbon footprint in every way that we can, and we hope that we can count on your support.

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Agenda Item 8



Report of	Meeting	Date
Monitoring Officer	Governance Committee	Tuesday, 26 September 2023

Constitution - Planning

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. The purpose of this report is to consider possible changes to the Constitution relating to the work of Planning Committee. This follows on from the work of the Governance Committee Constitution Task Group (Task Group). Ultimately the final decision for any changes to the Constitution will rest with Full Council.

Recommendations

2. To consider and agree the proposed changes to the Constitution concerning Planning Committee that are set out in this report in paragraph 15.
3. To recommend to full Council that these changes be adopted.

Reasons for recommendations

4. It is important that work is ongoing with the Constitution to keep it up to date

Other options considered and rejected

4. The Task Group considered a number of possible changes to the Constitution. The changes referred to in this report are those that had the clear support of the majority of the Task Group. The report refers to other possible changes to the Constitution that were discussed but ultimately rejected.

Corporate priorities

5. The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Agenda Item 8

Background to the report

6. The Task Group met on the 22nd of March, the 25th of April and the 18th of July. The primary focus for those earlier meetings related to proposed changes to the workings of Planning Committee. This report has been written based on the broad agreement that was reached amongst members at the final meeting of the Task Group in July.

Detailed Considerations

7. Members debated and considered various issues relating to the constitution and how it affects the workings of the Planning Committee at 3 meetings of the Task group. The Task Group heard evidence from several people including the Chair of Planning Committee and the Cabinet Member (Planning Business Support and Regeneration).
8. What prompted some of this work was a Notice of Motion that had been passed at full Council which had been moved by Cllr Turner and seconded by Cllr Shaw. This had proposed some changes to the Constitution on two issues. Firstly it sought to add wording that would require that no member of the Cabinet should be a member of Planning Committee. Legally it is permissible for a Cabinet member to be on Planning Committee but the practice in South Ribble for a number of years had been Cabinet members would not sit on Planning Committee. In more recent times – and at the time of the Notice of Motion – a Cabinet member had been on Planning Committee. Since the election however there is now no Cabinet member on Planning Committee. To that extent it is not a live issue. The recommendation – in this context – is that there is no change in the wording of the Constitution in this regard.
9. The second issue that was raised by the Notice of Motion related to the rules for call in of applications to Planning Committee. The proposed change in the rules would be that only a member from the ward in which the application has been made or member from an adjacent ward which the application directly affects could call in such an application. When the Task Group discussed this issue there was a clear preference that any member should still be able to request a call in of an application but in that context – as a matter of course – the ward members must be notified. Accordingly it is here recommended that we adopt this approach – please see paragraph 16 below.
10. At the meeting on the 25th of April other potential changes to the rules relating to Planning Committee were discussed. Under our existing rules on any planning application before Planning Committee up to 5 people may speak in favour of an application and 5 against. They each have up to 4 minutes to speak. These rules are extremely generous in comparison with other authorities. It was earlier suggested by the Monitoring Officer that the rules should be changed so that 3 people could speak against an application and 3 in favour – each having 4 minutes. At the Task Group members were not in favour of making any changes here. Hence the recommendation is that the current rules remain in place but that the situation be monitored and reviewed in 12 months' time.
11. During Covid a practice emerged whereby any member of the public wishing to speak needed to register in advance with Democratic Services – for a meeting on a Thursday evening they would need to register by 12.00 lunchtime on the Tuesday. A number of councils in Lancashire have had this practice in place for a number of years. It can assist with the planning for a meeting if you have a prior knowledge of the number of

Agenda Item 8

proposed speakers. However, this practice was only introduced in South Ribble during Covid. The Chair of Planning Committee at the Task Group meeting on the 25th of April expressed the view that the need to register in advance of the meeting worked well. However, at the Task Group meeting the majority view was that we should revert to former practices and not require a prospective speaker from the public to give notice of their intention. There would be a review of these arrangements after 6 months. Please see para 16 below.

12. During discussions at the Task Group it was also considered desirable that the Lead Member for Climate Change should be included on the list of consultees/persons notified of forthcoming planning applications. Please see para 16 below.
13. The Task Group also expressed a desire that there should be a relaxation of the current rules to allow any councillor to speak on any planning application at Planning Committee. This would be subject to the member raising material planning considerations. It would also be subject to Chair's discretion.
14. By way of summary authority is being sought to make the necessary changes to the Constitution to effect the following changes:
 - That the ward councillors in which a planning application site is located must be notified before any decision is made to call in a planning application to be considered at Planning Committee
 - That the arrangements that were introduced during COVID that a member of the public had to register in advance their wish to speak should be abolished and we should revert to former practices which required no need to register in advance
 - To allow any member the right to speak on any planning application at Planning Committee. This is subject to the proviso that material planning considerations are being raised. This is also subject to the discretion of the Chair of Planning Committee.
 - That the Lead Member for Climate Change be included on the list of consultees/persons notified of forthcoming planning applications.
15. Ultimately any agreed changes will need to full Council for authority to change the Constitution.

Climate change and air quality

16. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Equality and diversity

17. There are no equality and/or diversity implications with this report.

Risk

18. It is important that we continuously review and update our Constitution. We need to ensure that it remains fit for purpose.

Agenda Item 8

Comments of the Statutory Finance Officer

19. There are no direct financial implications arising from this report..

Comments of the Monitoring Officer

20. Any legal comments are contained in the body of the report.

Background documents

There are no background papers to this report.

There are no Appendices

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