

You are requested to attend a meeting of the Corporate Governance Committee to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 21 March 2016 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Corporate Governance Committee held on 7 December 2015 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.
- 5 Grant Thornton External Audit - Certification Report. Report of the Appointed Auditor and Audit Manager, Grant Thornton (attached).
Reporting Officers: Peter Barber
Kevin Henderson
- 6 External Audit (Grant Thornton) Update Report (attached).
Reporting Officers: Peter Barber
Kevin Henderson
- 7 External Audit (Grant Thornton) Audit Plan 2015/16 (attached).
Reporting Officers: Peter Barber
Kevin Henderson
- 8 SWAP Internal Audit - Internal Audit Plan 2015/16. Report of the Assistant Director, SWAP (attached).
Reporting Officer: Alastair Woodland
- 9 SWAP Internal Audit - Audit Plan 2016/17. Report of the Assistant Director, SWAP (attached).
Reporting Officer: Alastair Woodland
- 10 South West Counter-Fraud Partnership - Report on Progress. Report of the Revenues and Benefits Service Manager (attached).
Reporting Officer: Heather Tiso

- 11 Anti-Fraud and Corruption Policy and Strategy - Council Tax Penalties. Report of the Revenues and Benefits Service Manager (attached).
Reporting Officer: Heather Tiso
- 12 Verbal Update - Corporate Risk Management. Report of the Corporate Strategy and Performance Manager.
Reporting Officer: Paul Harding
- 13 Proposed Changes to TDBC Constitution. Report of the Assistant Chief Executive and Monitoring Officer (attached).
Reporting Officer: Bruce Lang
- 14 Electoral Review of TDBC. Report of the Assistant Chief Executive and Monitoring Officer (attached).
Reporting Officer: Bruce Lang
- 15 Corporate Governance Committee Forward Plan - details of forthcoming items to be considered by the Corporate Governance Committee and the opportunity for Members to suggest further items (attached)

Bruce Lang
Assistant Chief Executive

13 June 2016

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

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Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email r.bryant@tauntondeane.gov.uk

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Corporate Governance Committee Members:-

Councillor V Stock-Williams (Chairman)
Councillor J Blatchford (Vice-Chairman)
Councillor N Cavill
Councillor S Coles
Councillor D Cossey
Councillor A Govier
Councillor T Hall
Councillor J Hunt
Councillor R Lees
Councillor R Ryan
Councillor Miss F Smith
Councillor A Sully
Councillor C Tucker
Councillor D Webber
Councillor D Wedderkopp

Corporate Governance Committee – 7 December 2015

Present: Councillor Mrs Stock-Williams (Chairman)
Councillors Mrs Blatchford, Coles, Hall, Horsley, R Lees, Ryan, Sully,
Mrs Tucker and Ms Webber

Officers: Jo Nacey (Senior Accountant and Deputy Section 151 Officer),
Scott Weetch (Community and Client Services Manager),
Richard Sealy (Assistant Director – Corporate Services) and Emma Hill
(Democratic Services Officer)

Also Present: Councillor Parrish
Peter Barber - Associate Director, Grant Thornton
Kevin Henderson – Audit Manager, Grant Thornton
Alastair Woodland - Audit Manager, South West Audit Partnership (SWAP)

(The meeting commenced at 6.15 pm)

33. Apologies

Apologies: Councillors Miss Smith, Govier, Hunt and Wedderkopp.

Substitution: Councillor Horsley for Councillor Miss Smith.

34. Minutes

The Minutes of the Meeting of the Corporate Governance Committee held on 21 September 2015 were taken as read and were signed.

35. Declaration of Interests

Councillor Coles declared a personal interest as a Member of Somerset County Council. Councillor Hall declared a personal interest as a Director of Southwest One.

36. Grant Thornton External Audit – Annual Audit Letter

Considered report previously circulated, which introduced the Annual Audit Letter for 2014/2015, which had been prepared by the Council's external auditors, Grant Thornton. A copy of the Annual Audit Letter had also been enclosed with the report.

The report summarised the findings from the external auditors' work in respect of the 2014/2015 financial year and confirmed the issue of unqualified opinions in relation to Taunton Deane's accounts and value for money arrangements.

The letter also provided a progress update in relation to the Certification of Grant Claims work being undertaken by the external auditors and confirmed the planned audit fees for 2014/2015 at £67,505. The external auditors had also made a number of recommendations, which were detailed in the Appendix to the letter.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Members requested that the reports and appendices be made black and white printing friendly in the future to save on printing costs.
- With regard to Certification of Housing Benefit Grant Claims, were the Council in a good position when it concerned Universal Credit?
The External Auditor explained that he was not in a position to answer this at the moment. The Council's role going forward was uncertain and it was a case of 'wait and see'.

Resolved that the Annual Audit Letter for 2014/2015, the progress update on the Certification of Grant Claims work and the recommendation made by the External Auditors all be noted.

37. Grant Thornton External Audit – Audit Update

Considered report previously circulated, which provided an update from the Council's external auditors, Grant Thornton, in relation to their work during the 2014/2015 financial year and also provided an update in relation to emerging national issues.

The report updated Members on the status and progress on the auditor's programme of work as at December 2015. The audits on Housing Benefit Certification 2014/2015 and Capital Receipts Return 2014/2015 were now completed but the other audits had no proposed timescale but the Auditor's would be discussing this with the Council's Finance Team.

The Auditors were now completing risk assessments on the chosen audit areas. If any risks came out of the assessment process, the Auditor's would look into those risks and the area in further detail. This was a new approach for Grant Thornton.

During the discussion of this item, Members made comments and statements and asked questions which included: - (Responses were shown in italics)

- It was requested that copies of the External Auditor's Devolution Report and Marketing Insight be circulated to the Committee.
- Had the Council failed to sign off the Capital Receipt Claim (CRC) to the Department for Communities and Local Government (DCLG)?
DCLG had said they would give a lead-in time to certify the claims and sign them off and that this issue had been resolved. This would not have an adverse affect on the Council.
- Concerning Value for Money, if the Auditors did not find any risks, did this mean it would cost less to complete the audit?
The cost was fixed in a five year contract and there was two year remaining. With any additional work, this would incur additional charges on top of the set fee.
- Concerning Business Rates and appeals, could this be back dated as this was last reviewed in 2010? The Council had not been permitted to retain Business Rate receipts which had gone back to the Government but were now expected to meet the cost of any successful appeals?

No matter what the Council planned for Business Rate Appeals, it only took one large business to make a successful claim and all those plans could be devastated.

The Government was aware of this issue and local authorities, including Taunton Deane had been lobbying regarding this. There was a 'smoothing pool' within Somerset, which was intended to help mitigate this to a degree and in addition to this fund, the Council was setting money aside. Grant Thornton was currently assessing the risks involved with this issue.

Resolved that the update provided be noted.

38. SWAP Internal Audit – Progress Report

Considered report previously circulated, concerning a summary of the work of the Council's Internal Audit Service – the South West Audit Partnership (SWAP). This provided details of any new significant weaknesses identified during internal audit work completed since the last report to the committee. A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these was also submitted.

The Internal Audit Service was making steady progress against the 2015-2016 plan. Due to changes in SWAP's resources, two scheduled reviews that should have started in September had been deferred, re-scheduled and in some re-scoped. These were:-

- The Declaration of Interests, Gifts and Hospitality and Ethical Standards; and
- The information System – SAP audit (examination of the SAP migration work)

It was reported that there were four partial assurance audits being reported and one follow-up audit. Officers drew the Committee's attention to the risk assessment tables which showed that whilst each review had returned a partial assurance, only the Housing Voids review had returned a high risk at a corporate level.

An agreed action plan had been put in place following the completion of each review. Copies of the agreed action plans were enclosed for the information of Members.

To ensure this Committee was provided with assurance on areas of weakness, officers would be following up on these partial assurance reviews and would report back on progress made against each recommendation.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- In the previous financial year was there slippage due the staff changes, and was the Council on target?
There would always be some work that needed to be carried forward to the next financial year.
- It was requested that the SWAP Report regarding a review of the Business Grants Incentive Scheme should be sent out to Committee Members.
This was agreed.

Resolved that the report be noted.

39. SWAP Internal Audit – Discussion Item on Report Redesign

Considered report previously circulated, which provided Members with the opportunity to provide their input on the report re-design process.

Ideally SWAP would like to agree one common template that could be agreed that could be run automatically through the use of SWAP software.

SWAP was aiming to introduce the new committee report style from 1 April 2016. SWAP Officers presented a summary of the initial thoughts and feedback from Taunton Deane officer representatives regarding the new committee report template.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Could SWAP consider including pie charts and graphs to present the data and figures?
- Also the inclusion of the Council's RAG Status i.e. Red, Amber or Green.
- Could the orientation of reports be portrait and not landscape?

The SWAP representative confirmed that the Committee's comments would be taken into consideration towards the preparation of the new report template.

Resolved that the report and the comments made by Members be noted.

40. Update on Health and Safety Performance and Strategy for 2015/2016

Considered report previously circulated, concerning an update on the progress of a range of Health and Safety matters across the organisation. These included:-

- Accident and Incident Data for the period;
- Monitoring Health and Safety Performance;
- Report on actions agreed by Health and Safety Committee;
- Policy updates; and
- Key activities of the Health and Safety Advisor.

Below was a summary of topics which included:-

- Members were presented with incident and accident data for two periods - 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 October 2015. By the end of the year, the Council would be broadly in line with the data from last year.
- Twelve accident forms had been issued to managers to date and all actions had been completed where required, unless being dealt with as part of a wider action plan.
- There had been a recent increase in near miss cards submitted as a result of the 'drop in' sessions for Deane DLO employees and the asbestos investigation.

- There were three cases of continuing investigation work and one of which was a reportable incident under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2012 (RIDDOR). This was related to a gas flue pipe.
- Key performance indicator monitoring from 1 April 2015 had shown three of the four indicators were green and on target as well as one amber.
- Health and Safety Officers had visited the swimming pool construction site at Blackbrook Sports Pavillion to review with the Centre Manager their health and safety processes.
- There had been significant input from the Health and Safety service to a root and branch review of all of the Council's processes that might involve asbestos.
- The Health and Safety Team had been responsible for monitoring the action plan and had been involved in producing plans of work and risk assessments for the Deane DLO non-licensed Asbestos Task Team.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Was the Council continuing with Toolbox talks?
The Council was continuing with Toolbox Talks at the Depot. These were completed on request of Managers and would be assessed by the Health and Safety Manager.
- It was requested that data information for Deane DLO and the Crematorium be separated in the table.

Resolved to note the progress made on the implementation of the Health and Safety Strategy and its delivery and the initiatives to improve the Council's operating culture.

41. Corporate Governance Committee Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

Resolved that the Corporate Governance Committee Forward Plan be noted.

(The meeting ended at 7.15 pm).

Usual Declarations of Interest by Councillors

Corporate Governance Committee

- Members of Somerset County Council – Councillors Coles, Govier, Hunt and Wedderkopp.
- Councillor Hall – Director of Southwest One



Grant Thornton

Shirlene Adam
Director – Operations
Taunton Deane Borough Council
The Deane House
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TA1 1HE

11 January 2016

Dear Shirlene,

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Certification work for Taunton Deane Borough Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted Taunton Deane Borough District Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit claim for the financial year 2014/15 relating to subsidy of £32.3 million. Further details of the claim certified are set out in Appendix A. We also certify one other claim outside of the PSAA arrangements relating to the Pooling of Housing Capital Receipts return. This claim is not referred to in this letter as it falls outside of the PSAA arrangements.

A small number of issues arose from our certification work that resulted in an amendment to the claim and the issuing of a qualification letter, more detail is provided in Appendix A. We are satisfied that the Council has appropriate arrangements in place to compile a complete, accurate and timely claim for audit certification.

The indicative Housing Benefit certification fee for 2014/15 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The final fee for 2014/15 of £10,390 is the same as the indicative scale fee set by the Audit Commission. The fee for the Pooling of Housing Capital Receipts was separately agreed with the management of the Council. This is set out in more detail in Appendix B.

Yours sincerely

Peter Barber – Associate Director
For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2014/15

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim (BEN01)	32,328,922	Yes	3,925	Yes	<p>Qualified for the following issues;</p> <ul style="list-style-type: none"> - Software issue relating to split of errors relating to the prior year. - Error in inputting earned income for Rent Allowances - Error in inputting Child Tax Credits incorrectly for Rent Allowances. - Issue with inputting Working Tax Credits incorrectly for Rent Rebates.

Appendix B: Fees for 2014/15 certification work

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	14,620	10,390	10,390	Nil	No variance

Taunton Deane Borough Council

Corporate Governance Committee 21 March 2016

External Audit (Grant Thornton) Update Report

This is the responsibility of Executive Councillor Richard Parrish

Report Author: Jo Nacey Senior Accountant and Deputy S151 Officer

1 Purpose of the Report

- 1.1 This is a regular update report for Members by our external auditors, Grant Thornton. Specifically the report provides an update in relation to their work for the 2015/16 financial year and also provides an update in relation to emerging national issues.

2 Recommendations

- 2.1 Members are requested to note the update report.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The details of any specific risks identified will be contained in the attached report			

4 Background and Full details of the Report

- 4.1 Each year our external auditors, Grant Thornton, are required to carry out prescribed audit work and this report provides a useful progress update on the work undertaken to date.
- 4.2 Additionally, the report shares headlines on some national issues that may have an impact upon the Council.

5 Links to Corporate Aims / Priorities

- 5.1 There are no direct implications.

6 Finance / Resource Implications

- 6.1 There are no direct implications.

7 Legal Implications

7.1 There are no legal implications from this report.

8 Environmental Impact Implications

8.1 There are no direct implications.

9 Community Safety Implications

9.1 There are no direct implications.

10 Equality and Diversity Implications

10.1 There are no direct implications.

11 Social Value Implications

11.1 There are no direct implications.

12 Partnership Implications

12.1 There are no direct implications.

13 Health and Wellbeing Implications

13.1 There are no direct implications.

14 Asset Management Implications

14.1 There are no direct implications.

15 Consultation Implications

15.1 There are no direct implications.

List of Appendices

Appendix A	Grant Thornton – Audit Update
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Contact Officers

Name	Jo Nacey	Name	Richard Sealey
Direct Dial	01823 358678	Direct Dial	01823 358690
Email	j.nacey@tauntondeane.gov.uk	Email	r.sealy@tauntondeane.gov.uk

Taunton Deane Borough Council

Corporate Governance Committee 21 March 2016

External Audit (Grant Thornton) Audit Plan 2015/16

Leader of the Council: Councillor John Williams

Report Author: Jo Nacey Senior Accountant and Deputy S151 Officer

1 Purpose of the Report

- 1.1 This report introduces the External Audit Plan for 2015/16. This is prepared by our external auditors, Grant Thornton, and is detailed in the appendix to the report.
- 1.2 The report, which will be presented by Grant Thornton, summarises their approach to the 2015/16 audit programme, provides information on the work already undertaken, the tasks yet to be completed, the timescales and the auditors view on risk.

2 Recommendations

- 2.1 Members are requested to note the External Audit Plan for 2015/16 received from Grant Thornton.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The details of any specific risks identified will be contained in the attached report			

4 Background and Full details of the Report

- 4.1 Each year our external auditors, Grant Thornton, provide a plan, which details their approach to the audit work required in respect of the preceding financial year (2015/16). Specifically this audit work focuses on the provision of an audit opinion in relation to the accounts, value for money (VFM) and associated key risks.
- 4.2 The plan for 2015/16 is set out in Appendix A.

5 Links to Corporate Aims / Priorities

- 5.1 There are no direct implications.

6 Finance / Resource Implications

6.1 The report sets out the external auditors view on key risk areas for the Council and their approach to auditing them.

7 Legal Implications

7.1 There are no legal implications from this report.

8 Environmental Impact Implications

8.1 There are no direct implications.

9 Community Safety Implications

9.1 There are no direct implications.

10 Equality and Diversity Implications

10.1 There are no direct implications.

11 Social Value Implications

11.1 There are no direct implications.

12 Partnership Implications

12.1 There are no direct implications.

13 Health and Wellbeing Implications

13.1 There are no direct implications.

14 Asset Management Implications

14.1 There are no direct implications.

15 Consultation Implications

15.1 There are no direct implications.

List of Appendices

Appendix A	Grant Thornton – Audit Plan
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Contact Officers

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The Audit Plan for Taunton Deane Borough Council

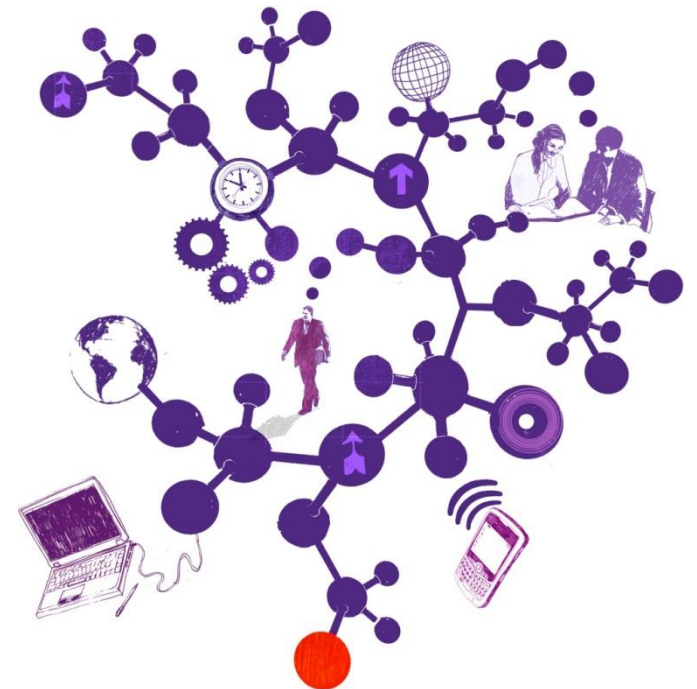
Year ending 31 March 2016

3 March 2016

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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 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 Council or any 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.

Taunton Deane Borough Council
The Deane House
Belvedere Road
Taunton
TA1 1HE

3 March 2016

Dear Members of the Corporate Governance Committee

Audit Plan for Taunton Deane Borough Council for the year ending 31 March 2016

This Audit Plan sets out for the benefit of those charged with governance (in the case of Taunton Deane Borough Council, the Corporate Governance Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Yours sincerely

Peter Barber
Engagement Lead

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Chartered Accountants

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Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.

Challenges/opportunities

1. Autumn Statement 2015 and financial health

- The Chancellor proposed that local government would have greater control over its finances, although this was accompanied by a 24% reduction in central government funding to local government over 5 years.
- Despite the increased ownership, the financial health of the sector is likely to become increasingly challenging.
- The Council's revenue support grant has reduced by £738,372 for 2016/17. However, New Homes Bonus has increased by £704,656.

2. Devolution

- The Autumn Statement 2015 also included proposals to devolve further powers to localities.
- A 'Statement of Intent' regarding devolution for Somerset, including Taunton Deane, was issued to Parliament in September 2015.

3. Housing

- The Autumn Statement also included a number of announcements intended to increase the availability and affordability of housing.
- In particular, the reduction in council housing rents and changes to right to buy will have a significant impact on Councils' housing revenue account business plans.
- For Taunton Deane the reduction in rental income amounts to around £8 million over the next four years.

4. Joint arrangements

- The Council has a shared services agreement with West Somerset District Council and has completed the implementation and full integration of the teams at both Councils. This has already provided significant financial savings and aims to provide further efficiencies to both with the sharing and transformation of services.



Our response

- We will consider the Council's plans for addressing its financial position as part of our work to reach our VFM conclusion.

- We will consider your plans as part of the local devolution agenda as part of our work in reaching our VFM conclusion.
- We are able to provide support and challenge to your plans based on our knowledge of devolution elsewhere in the country.

- We will consider how the Council has reflected government announcements as part of its business planning process.
- We will share our knowledge of how other Councils are responding to these changes.

- We will review the delivery of savings from the joint management team and the impact on current budgets and the medium term financial plan.
- We will review the basis of how costs have been shared between the two councils and presented in the accounts.

Developments and other requirements relevant to your audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice and associated guidance.

Developments and other requirements

1. Fair value accounting

- A new accounting standard on fair value (IFRS 13) has been adopted and applies for the first time in 2015/16.
- This will have a particular impact on the valuation of surplus assets within property, plant and equipment which are now required to be valued at fair value in line with IFRS 13 rather than the existing use value of the asset.
- Investment property assets are required to be carried at fair value as in previous years.
- There are a number of additional disclosure requirements of IFRS 13.



2. Corporate governance

- The Accounts and Audit Regulations 2015 require local authorities to produce a Narrative Statement, which reports on your financial performance and use of resources in the year, and replaces the explanatory foreword.
- You are required to produce an Annual Governance Statement (AGS) as part of your financial statements.



3. Earlier closedown of accounts

- The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year.



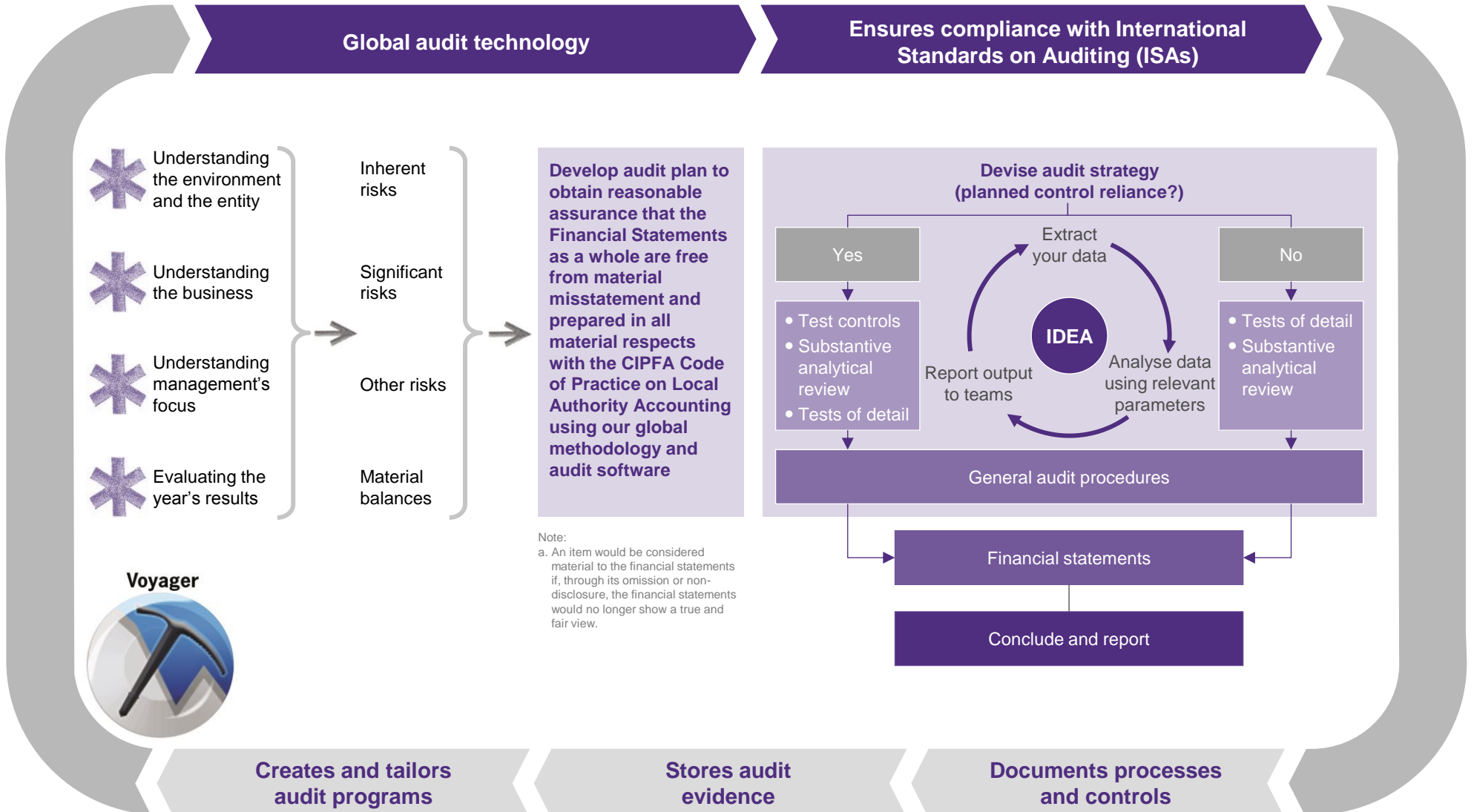
Our response

- We will keep the Council informed of changes to the financial reporting requirements for 2015/16 through ongoing discussions and invitations to our technical update workshops.
- We will discuss this with you at an early stage, including reviewing the basis of valuation of your surplus assets and investment property assets to ensure they are valued on the correct basis.
- We will review your draft financial statements to ensure you have complied with the disclosure requirements of IFRS 13.

- We will review your Narrative Statement to ensure it reflects the requirements of the CIPFA Code of Practice when this is updated, and make recommendations for improvement.
- We will review your arrangements for producing the AGS and consider whether it is consistent with our knowledge of the Council and the requirements of CIPFA guidance.

- We will work with you to identify areas of your accounts production where you can learn from good practice in other authorities.
- We aim to complete all substantive audit work of your financial statements for 2015/16 three weeks after the start date as a 'dry run'.

Our audit approach



Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit.

The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As is usual in public sector entities, we have determined materiality for the statements as a whole as a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £1,610k (being 2% of gross revenue expenditure).

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £80k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'.

We have identified the following items where separate materiality levels are appropriate.

Balance/transaction/disclosure	Explanation	Materiality level
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements.	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5,000
Disclosure of members' allowances	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5,000
Disclosure of auditors' remuneration in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5,000

Significant risks identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315). In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing - ISAs) which are listed below:

Significant risk	Description	Substantive audit procedures
<p>The revenue cycle includes fraudulent transactions</p>	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>We do consider that there is a potential risk in respect of income recharged to West Somerset District Council for the recharge of service costs.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Taunton Deane Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Taunton Deane Borough Council, mean that all forms of fraud are seen as unacceptable. <p>We shall review the basis on which recharges are made to confirm that this is in line with the agreement, and we shall confirm that the charges made by Taunton Deane Borough Council included in income matches the expenditure included in Operating Expenses of West Somerset District Council.</p>
<p>Management over-ride of controls</p>	<p>Under ISA 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Testing of journal entries <p>Further work planned:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgments and decisions made by management • Top up testing of journal entries • Review of unusual significant transactions

Significant risks identified (continued)

Significant risk	Description	Substantive audit procedures
Valuation of property, plant and equipment	<p>The Council revalues its assets on a rolling basis over a five year period . The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from current value. This represents a significant estimate by management in the financial statements.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • Review of management's processes and assumptions for the calculation of the estimate. • Review of the competence, expertise and objectivity of any management experts used. • Review of the instructions issued to valuation experts and the scope of their work • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions. • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register • Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.
Valuation of surplus assets and investment property	<p>The CIPFA Code of Practice has implemented IFRS 13 for the 2015/16 financial statements. The Council is required to include surplus assets within property, plant and equipment in its financial statements at fair value, as defined by IFRS13.</p> <p>The basis on which fair value is defined for investment property is also different to that used in previous years.</p> <p>This represents a significant change in the basis for estimation of these balances in the financial statements.</p> <p>There are also extensive disclosure requirements under IFRS 13 which the Council needs to comply with.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • Review of management's processes and assumptions for the calculation of the estimate. • Review of the competence, expertise and objectivity of any management experts used. • Review of the instructions issued to valuation experts and the scope of their work • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions. • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register • Review of the disclosures made by the Council in its financial statements to ensure they are in accordance with the requirements of the CIPFA Code of Practice and IFRS 13.

Significant risks identified (continued)

Significant risk	Description	Substantive audit procedures
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.	<p>Work planned:</p> <ul style="list-style-type: none"> • We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • We will undertake procedures to confirm the reasonableness of the actuarial assumptions made. • We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.
Recharge of shared services	Payroll and other costs recharged monthly to West Somerset DC under the shared service arrangement could be misstated to artificially improve the financial position of one of the two councils..	<p>Work completed to date:</p> <ul style="list-style-type: none"> • We have reviewed the method for recharging and traced to invoices. • We have carried out initial analytical review of the recharge costs. <p>Further work planned:</p> <ul style="list-style-type: none"> • We will carry out further analytical review at the year and investigate reasons for fluctuations in the monthly recharged costs. • We will review invoices not covered during our interim testing.

Other risks identified

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures"(ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	<p>Work planned:</p> <ul style="list-style-type: none"> • We will test the operation of the cut off of operating expenses at the year end to ensure that creditors are recorded in the correct accounting period.
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	<p>Work completed to date:</p> <ul style="list-style-type: none"> • We have tested the operation of the payroll system. • We have carried out initial trend analysis of the payroll costs. <p>Further work planned:</p> <ul style="list-style-type: none"> • Further testing of the payroll system to cover the part of the year not already tested • Completion of the trend analysis of the payroll costs.

Other risks identified (continued)

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous section but will include :

- Intangible assets
- Heritage assets
- Assets held for sale
- Investments (long term and short term)
- Cash and cash equivalents
- Borrowing and other liabilities (long term and short term)
- Provisions
- Usable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Segmental reporting note
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Housing Revenue Account and associated notes
- Collection Fund and associated notes

Other audit responsibilities

- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read the Narrative Statement and check that it is consistent with the statements on which we give an opinion and disclosures are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We will give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts

Value for Money

Background

The Local Audit & Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') require us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work in November 2015 [here](#).

The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out below:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> Acting in the public interest, through demonstrating and applying the principles and values of good governance Understanding and using appropriate cost and performance information to support informed decision making and performance management Reliable and timely financial reporting that supports the delivery of strategic priorities Managing risks effectively and maintaining a sound system of internal control.
Sustainable resource deployment	<ul style="list-style-type: none"> Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions Managing assets effectively to support the delivery of strategic priorities Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	<ul style="list-style-type: none"> Working with third parties effectively to deliver strategic priorities Commissioning services effectively to support the delivery of strategic priorities Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for Money (continued)

Risk assessment

We completed an initial risk assessment based on the NAO's guidance. In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements..
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. The NAO's Code of Audit Practice defines 'significant' as follows:

A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.

We have set out overleaf the risks we have identified, how they relate to the Code sub-criteria, and the work we propose to undertake to address these risks.

Value for money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

Significant risk	Link to sub-criteria	Work proposed to address
<p>Medium term financial position The Council has a balanced financial plan for 2016/17. However, there is a cumulative shortfall of £2.5 million for the subsequent four years of the plan.</p>	<p>This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.</p>	<p>We will review the Council's medium term financial plan, including the assumptions that underpin the plan.</p>
<p>Joint Management and Shared Services (JMASS) and transformation The Council has a shared services agreement with West Somerset District Council and has completed the implementation and full integration of the teams at both Councils. This has already provided significant financial savings. However, further efficiencies are required, both in terms of sharing staff and in the transformation of services.</p>	<p>This links to the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions and planning, organising and developing workforce effectively to deliver strategic priorities.</p>	<p>We will review how the Council is progressing the Joint Management and Shared Services arrangement, with a particular emphasis on the transformation of services. We will also review the project management arrangements relating to this project.</p>

Reporting

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and Annual Audit Letter.

We will include our conclusion as part of our report on your financial statements which we will give by 30 September 2016.

Results of interim audit work

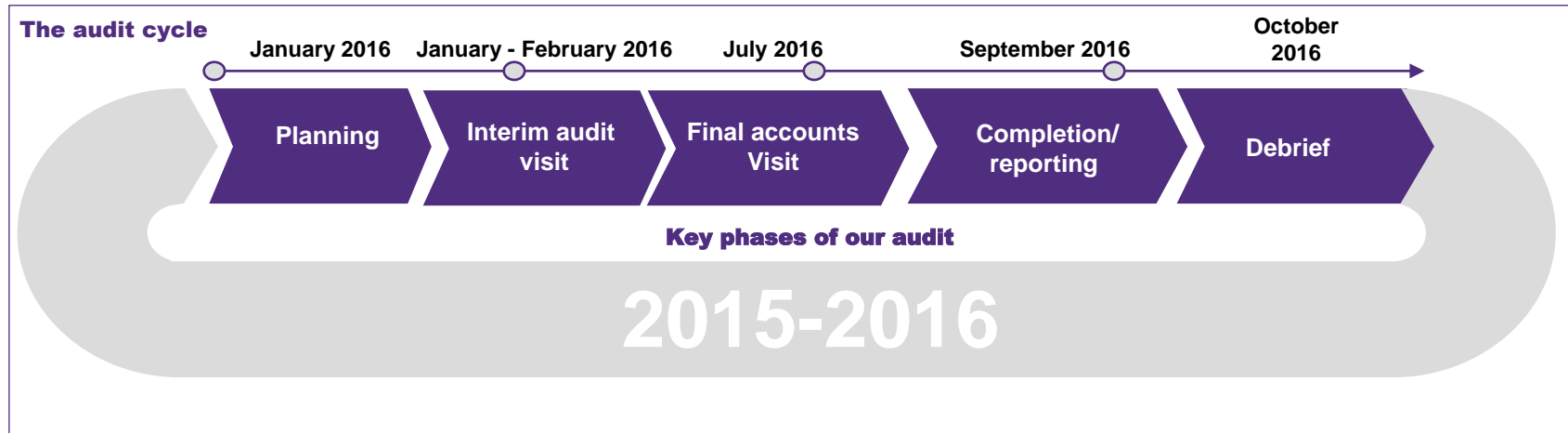
The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p> <p>We have also reviewed internal audit's work on the Council's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices 	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p>

Results of interim audit work (continued)

	Work performed	Conclusion
Walkthrough testing	<p>We have completed walkthrough tests of the Council's controls operating in the following areas where we consider that there is a risk of material misstatement to the financial statements.</p> <p>We have tested operating expenses at the interim stage.</p>	<p>Our work has not identified any weaknesses that impact on our audit approach.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>To date we have undertaken detailed testing on journal transactions recorded for the first nine months of the financial year, by extracting 'unusual' entries for further review.</p>	<p>No issues have been identified that we wish to highlight for your attention.</p> <p>We will test the remainder of the year and the year end journals at our final audit visit.</p>
Early substantive testing	<p>We have:</p> <ul style="list-style-type: none"> • checked the physical existence of a sample of land and buildings • checked ownership of a sample of land and buildings by the review of deed and Land Registry documentation; • tested large grants received to supporting documents; • tested a sample of other revenues to supporting documentation; • tested a sample of operating costs incurred to supporting documents; • reviewed documentation of investments which should still be in place at the year end; • reviewed the methodology of recharging costs to West Somerset and carried out analytical review; • carried out a trend analysis of the payroll costs; • tested a sample of Housing Benefit payments to ensure entitlement is valid and reviewed the reconciliation of payments to the general ledger; • agreed the precept charges to demands; and • checked that closing balances have been brought forward correctly . 	<p>With regard to land and buildings, we will make enquiries to confirm that no material assets have been sold since our initial testing was undertaken.</p> <p>All testing of samples will be topped up at the year end to confirm that all of the year has been tested and agreed to the ledger figures to support the accounts.</p>

Key dates



Date	Activity
January 2016	Planning
January – February 2016	Interim site visit
21st March 2016	Presentation of audit plan to Corporate Governance Committee
July 2016	Year end fieldwork
September 2016	Audit findings clearance meeting with Director of Finance
26th September 2016	Report audit findings to those charged with governance (Corporate Governance Committee)
26th September 2016	Sign financial statements opinion

Fees and independence

Fees

	£
Council audit	50,629
Grant certification	10,965
Total audit fees (excluding VAT)	61,594

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list.
- The scope of the audit, and the Council and its activities, have not changed significantly.
- The Council will make available management and accounting staff to help us locate information and to provide explanations.
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Service	Fees £
Audit related services: <ul style="list-style-type: none">• None	NIL

Fees for other services

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings Report at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Communication of audit matters with those charged with governance

International Standards on Auditing (UK & Ireland) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings Report will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓



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Taunton Deane Borough Council

Corporate Governance Committee – 21 March 2016

SWAP Internal Audit – Internal Audit Plan 2015/16

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Alastair Woodland, Audit Manager, SWAP

1 Executive Summary

- 1.1 The Internal Audit function plays a central role in corporate governance by providing assurance to the Corporate Governance Committee, looking over financial controls and checking on the probity of the organisation.
- 1.2 The 2015-16 Annual Audit Plan is to provide independent and objective assurance on TDBC's Internal Control Environment. This work will support the Annual Governance Statement.

2 Recommendations

- 2.1 Members are asked to note progress made in delivery of the 2015/16 internal audit plan and significant findings since the previous update in December 2015.

3 Risk Assessment

- 3.1 Any large organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate the risks it may face. TDBC has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetables for management to implement.

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

4.1 This report summarises the work of the Council's Internal Audit Service and provides:

- Details of any new significant weaknesses identified during internal audit work completed since the last report to the committee in December 2015.
- A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these.

4.2 For Internal Audit Progress Report for 2015/16 is contained within Appendix A.

5 Links to Corporate Aims

5.1 Delivery of the corporate objectives requires strong internal control. The attached report provides a summary of the audit work carried out to date this year by the Council's internal auditors, South West Audit Partnership.

6 Finance

6.1 There are no specific finance issues relating to this report.

7 Legal Implications

7.1 There are no specific legal issues relating to this report.

8 Environmental Impact Implications

8.1 There are no direct implications from this report.

9 Safeguarding and/or Community Safety Implications

9.1 There are no direct implications from this report.

10 Equality and Diversity Implications

10.1 There are no direct implications from this report.

11 Social Value Implications

11.1 There are no direct implications from this report.

12 Partnership Implications

12.1 There are no direct implications from this report.

13 Health and Wellbeing Implications

13.1 There are no direct implications from this report.

14 Asset Management Implications

14.1 There are no direct implications from this report.

15 Consultation Implications

15.1 There are no direct implications from this report.

Democratic Path:

- **Corporate Governance Committees – Yes**
- **Cabinet/Executive – No**
- **Full Council – No**

Reporting Frequency : **Once only** **Ad-hoc** **Quarterly**

Twice-yearly **Annually**

List of Appendices (delete if not applicable)

Appendix A	SWAP Internal Audit Progress Update 2015/16
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Taunton Deane Borough Council

Report of Internal Audit Activity, March Update, 2015/16

Contents

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Internal Audit Work Plan 2015-16

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Future Planned Work & Conclusions Page 6

Appendices

Appendix A - Audit Plan Progress 2015-16

Appendix B - High Priority Findings and Recommendations (since last Committee)

Appendix C - Audit Definitions



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Our audit activity is split between:

- Operational Audit
- Key Control Audit
- Governance, Fraud & Corruption Audit
- IT Audit
- Special Reviews

See Appendix A for individual audits

Role of Internal Audit

The Internal Audit service for Taunton Deane Borough Council is provided by South West Audit Partnership (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter approved by the Corporate Governance Committee and last reviewed at its meeting on 9th March 2015.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes;

- Operational Audit Reviews
- Key Financial Control Reviews
- Cross Cutting Fraud and Governance Reviews
- IT Audit Reviews
- Other Special or Unplanned Reviews

Overview of Internal Audit Activity

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Corporate Management Team and External Auditors. This year's Audit Plan was reported to this Committee and approved by this committee at its meeting in March 2015.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk. Key Control Audits are undertaken in quarter three of each year and these are planned in conjunction with the Council's External Auditor to assist in their assessment of the Council's financial control environment. This reduces the overall cost of audit to the Council.



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Update 2015-16

Completed Audit Assignment in the Period

Audit Plan Progress

The schedule provided at [Appendix A](#) contains a list of all audits as agreed in the Annual Audit Plan 2015/16. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed. Each completed assignment includes its respective “control assurance” opinions together with the number and relative ranking of recommendations that have been raised with management. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as shown in [Appendix C](#)

As can be seen from [Appendix A](#) the following audits have been progressed to date:

Operational:

- Final, 3 reviews
- Draft, 1 review
- In Progress, 5 reviews

Governance, Fraud and Corruption:

- Final, 2 Reviews
- Draft, 2 Reviews

Follow-up Reviews:

- Final, 2 reviews
- Drafting, 1 Review
- Not started, 1 Review

Audit Plan Progress

ICT Reviews

- Final, 1 review
- Draft, 1 review
- Not Started, 2 reviews

Key Control Reviews

- Final, 2 Reviews
- Draft, 2 reviews
- Drafting, 2 review
- In progress, 2 reviews

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee

Report on Significant Findings

As agreed with this Committee where a review has a status of 'Final' and has been assessed as 'Partial' or 'No Assurance', I will provide further detail to inform Members of the key issues identified. I attach as **Appendix B**, a summary of the agreed 'high' priority actions relating to those reviews completed that have not been previously reported where the Auditor assessed the priority to be a level 4 (Medium/High) or 5 (High). Please note these priorities are assessed as how important they are to the service, not at a corporate level. Since my last update there are two reviews concluded and assessed as 'Partial' and one follow-up audit to bring to your attention.

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee

Report on Significant Findings

Asset Management – Partial Assurance

This audit focused on the following key risk areas:

- There is not a cohesive and inclusive strategy to ensure that property management services are joined up;
- The authority does not have a complete and up to date record of property assets to facilitate decision making;
- Acquisitions and disposals are not managed effectively;
- Best value is not obtained from property owned by the Council.

TDBC have a relatively new Asset Strategy which was put in place to address the weaknesses identified by the Bob Baber Associates Report who were engaged to carry out a fundamental review of Asset Management. The strategy covered 2014-17. However, implementation of the strategy has been delayed through a conscious decision whilst organisational restructuring was undertaken. Progress is now being undertaken on the key projects to improve Asset Management. The main issues identified during this review that need to be addressed are:

- Need to review and embed the current Asset Management Plan.
- Need for a full building condition survey.
- Need to fully embed a full individual property costing system.
- Need to embed an integrated asset data record system.

The audit has shown that the asset management issues are being addressed but it will take some time before the benefits fully accrue.

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.

Report on Significant Findings Continued

Hardware Asset Management – Partial Assurance

This audit focused on the following key risk area:

- IT hardware assets are misappropriated;
- Disclosure of information stored on IT hardware assets that are disposed of, or a failure to comply with environmental regulations and standards when disposing of assets.

There was clear evidence identified in this audit review that progress is being made towards improving management of the hardware estate. These improvements are evident from the Asset Management improvement plans as well as with the introduction of improved software discovery applications. Completion of the SWOne 'Inventory Plan Councils' and the creation of a single hardware inventory should provide a solid foundation for a more systematic approach to asset management in the future.

However, the asset verification testing highlighted a number of weaknesses in the inventory records that related to both deficiencies in the categories of information captured and the accuracy of records. There is also a wider issue regarding the use of pool laptops that have been issued to service teams and then reallocated within the team, meaning that more than half of the sample chosen could not be located during testing. It is important that the inventory is extended to capture essential information relating to warranty and support arrangements and periodic asset checks are conducted to verify the existence and location of assets, so that the inventory can be updated accordingly. However the issue with pool assets requires the introduction of a more robust process. A suggested approach may be to allocate pool assets to a service area team who will be required to take responsibility for responding to asset check enquiries and advising the Asset Manager of any changes so that the inventory can be updated.

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit Committee.

We keep our audit plans under regular review, so as to ensure we are auditing the right things at the right time.

Report on Significant Findings Continued

Further, assets classified as disposal items in the inventory requires remedial action to confirm whether these assets have already been disposed of, or remain in storage awaiting disposal, and if so, that appropriate action is taken to mitigate the risk that sensitive data stored on the assets could be misappropriated.

Future Planned Work/Plan Changes

The audit plan for 2015/16 is detailed in [Appendix A](#). Inevitably changes to the plan will be required during the year to reflect changing risks and ensure the audit plan remains relevant to Taunton Deane Borough Council. Members will note that where necessary any changes to the plan throughout the year will have been subject to agreement with the appropriate Service Manager and the Section 151 Officer.

No further plan changes have been made since the December Committee update.

Conclusions

Steady progress is being made against the 2015-16 Audit Plan.

Members will note the two partial assurance audits that have been reported. Both these are scheduled to be followed up in the 2016-17 audit plan to provide assurance that weaknesses have been addressed. As with all our reviews, an agreed action plan is in place. Members can see from [Appendix B](#) the agreed responses to the high priority recommendations (please note priority scores are assessed on how important the recommendation is to the service, not how important corporately).

I would also draw members' attention to the assurance ratings that have been provided on the key financial systems and the indicative opinions based on the work in progress. Overall key financial controls are operating effectively.

Audit Plan 2015-16

Audit Plan Progress 2015-16

APPENDIX A

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ↔ 5 = Major					Comments
						Recommendation					
						1	2	3	4	5	
Final Report											
Follow Up	Data Transparency	Q1	Final	Follow – up	3	0	2	0	1	0	
ICT Audits	Disaster Recovery Audit	Q1	Final	Partial	5	0	0	1	4	0	
Governance, Fraud & Corruption	Business Incentive Grants	Q1	Final	Partial	11	0	3	7	1	0	
Governance, Fraud & Corruption	Business Continuity	Q1	Final	Reasonable	4	0	0	4	0	0	Additional Cross Partnership Report also produced as part of this work to share best practice.
Operational Audit	Crematorium	Q1	Final	Non-Opinion	3	0	0	2	1	0	
Operational Audit	Housing Voids	Q1	Final	Partial	17	0	2	9	6	0	
Follow Up	Parks & Open Spaces	Q1	Final	Follow-up	3	0	0	2	1	0	
Operational Audit	Food safety	Q2	Final	Substantial							
Key Control	Council Tax & NNDR	Q3	Final	Substantial	2	0	2	0	0	0	



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Audit Plan 2015-16

Audit Plan Progress 2015-16

APPENDIX A

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ↔ 5 = Major					Comments
						Recommendation					
						1	2	3	4	5	
Key Control	Payroll	Q3	Final	Substantial	1	0	1	0	0	0	
Draft Report											
Governance, Fraud & Corruption	Cash & Banking	Q2	Discussion Document								
ICT Audits	Information Systems – Property Management - Atrium	Q2	Discussion Document	Non Opinion							
Operational Audit	Gas Servicing	Q2	Discussion Document								
Governance, Fraud & Corruption	Declaration of Interests, Gifts and Hospitality & Ethical Standards	Q2	Discussion Document								
Key Control	Main Accounting	Q3	Review								
Key Control	Debtors	Q3	Discussion Document								
Key Control	Treasury Management	Q3	Review								
Key Control	Housing Benefits	Q4	Discussion Document								



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Audit Plan 2015-16

Audit Plan Progress 2015-16

APPENDIX A

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ↔ 5 = Major					Comments
						Recommendation					
						1	2	3	4	5	
Follow Up	Business Grants	Q4	Review								
In Progress											
Operational Audit	Stores	Q2	In Progress								
Key Control	Housing Rents	Q2	In Progress								
Operational Audit	DLO Operations (NEW)	Q3	In Progress								
Key Control	Creditors	Q3	In Progress								
Operational Audit	Homelessness	Q4	In Progress								
Operational Audit	Deane Help Line	Q4	In Progress								
Operational Audit	Land Charges	Q4	In Progress								
Not Started											



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Audit Plan 2015-16

Audit Plan Progress 2015-16

APPENDIX A

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ↔ 5 = Major					Comments
						Recommendation					
						1	2	3	4	5	
ICT Audits	Information Systems - Finance	Q2	Not Started								Scope to review SAP Migration work, however the SAP migration has been deferred. This review to be re-scheduled and re-scoped.
ICT Audits	Physical and Environmental Controls / Data Centre	Q4	Not Started								
Follow up	Disaster Recovery Audit	Q4	Not Started								
Removed											
Governance, Fraud & Corruption	Transformation Programme	Q3									Assurance provided by external consultant's iESE.
Operational Audit	Housing - Responsive Maintenance	Q4									Replaced by DLO Operations



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Audit Plan 2015-16

Outstanding 2014-15 Audits update from December Committee

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor		↔	5 = Major		Comments
						Recommendation					
						1	2	3	1	2	
ICT Audits	Hardware Asset Management	Q2	Final	Partial	4	0	0	2	2	0	
Governance, Fraud & Corruption	Choice Based Letting	Q4	Final	Reasonable	6	0	0	6	0	0	
Governance, Fraud & Corruption	Asset Management	Q4	Final	Partial	13	0	2	7	4	0	

Internal Audit Plan 2015-16

High Priority Findings and Recommendations (Priority 4 or 5 only)

APPENDIX B

Note: Priority scores are how important they are to the service, not at a corporate level.

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
Asset Management					
Asset Management Plan does not reflect the current role and responsibilities of the new integrated Property and Development function.	Responsibility to undertake key actions within the AMP may not be undertaken.	I recommend that the Asset Manager refreshes the current Asset Management Plan to embrace the current role and responsibilities of the new integrated Property and Development function and reviews proposed actions for individual property to ensure they are still appropriate drivers of asset management.	The current Asset Management Plan, whilst needs refreshing, is still live until end of 15/16. In line with work plan, this is to be refreshed during early 2016 and will reflect subsequent Asset Strategy and new structure and responsibilities.	June 2016	Asset Manager
The make-up of asset records for property has a number of components, none of which are integrated. Those that are computer based have some 'searchability'.	Without a single integrated system there is a risk of different records show conflicting information and not being clear on which is the most recent and up to date.	I recommend that the Asset Manager in his review of property records ensures that property data is rationalised and collated into a readily accessible and searchable form and one which provides for appropriate document attachment.	Already committed to delivering as part of Commercial Rents SWAP Audit Management Action. Permanent solution will be the implementation and subsequent use of a new Asset Management System. As interim measure (if required) will collate core data currently from multiple sources into one spreadsheet but this will not enable document attachment.	December 2016 (for interim measure if becomes necessary)	Asset Data Manager



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Internal Audit Plan 2015-16

High Priority Findings and Recommendations (Priority 4 or 5 only)

APPENDIX B

Note: Priority scores are how important they are to the service, not at a corporate level.

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
No formal structured building condition survey.	Property defects are not being fully identified and phased over a period of years for remedial work to be carried out. This means that the financial impact of defects is not being fully uncovered and built into budget availability for future years.	I recommend that the Asset Manager seeks to establish a formal structured building condition approach across the council which can then inform the longer term maintenance programme and costs for inclusion within appropriate annual revenue and capital budgets.	Agreed. Will be introduced as part of a rolling programme based on perceived risk / cost and on existing data. Agreed.	June 2016 (for rolling programme to be in place)	Asset Manager
Traditionally data is not broken down sufficiently to allow individual ownership costs to be identified.	Without individual asset ownership costs it is hard to make informed decisions from an asset management perspective.	I recommend that the Asset Manager progresses asset cost determination so that reliable cost data can be used for both internal and external comparisons which can then appropriately inform management decision making on the future suitability of such assets in service delivery.	Agreed. Processes and communication/ awareness to be in place to enable greater accuracy of data for 16/17 financial year.	March 2016	Asset Manager

Internal Audit Plan 2015-16

High Priority Findings and Recommendations (Priority 4 or 5 only)

APPENDIX B

Note: Priority scores are how important they are to the service, not at a corporate level.

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
Hardware Asset Management (ICT)					
The current inventory format does not include details of value, warranty & support arrangements for hardware assets, and does not differentiate between items awaiting disposal and those assets that have already been disposed of.	There is a risk that these deficiencies in information could result in critical servers and devices going out of support if the inventory cannot be used to identify expiry dates, and a risk that sensitive data stored on the end of life assets could be lost or stolen.	I recommend that the ICT & Information Manager should work with SWOne to increase the level of information captured in the inventory, by extending 'Assyst' to report on the categories of information currently not recorded.	I recommend that the ICT & Information Manager should work with SWOne to increase the level of information captured in the inventory, by extending Assyst to report on the categories of information currently not recorded.	31/3/2016	ICT & Information Manager

Internal Audit Plan 2015-16

High Priority Findings and Recommendations (Priority 4 or 5 only)

APPENDIX B

Note: Priority scores are how important they are to the service, not at a corporate level.

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
The status of end of life assets were not recorded definitively in the asset inventory.	There is a risk that if end of life assets are not recorded properly in the asset inventory, that they could be lost or stolen before data is removed, and that the Council will be unable to provide a complete audit trail if the use or location of one of its assets comes into question.	I recommend that the ICT & Information Manager requests that SWOne carry out a check of those items 'awaiting disposal' and those that have been 'disposed of' and update the asset inventory accordingly, to take assurance that the location and status of end of life equipment and data is known and recorded.	End of life PC assets are currently held in a locked room at Deane House. We had originally commissioned SWO to wipe/re-image them to enable re-use within the community, but they have advised us that the requirements of PSN compliance would make this uneconomic. We are therefore reviewing our plans for these assets, and the asset register will be updated once a new approach has been agreed and delivered.	31/3/2016	ICT & Information Manager

Audit Framework Definitions

Control Assurance Definitions

Appendix C

Substantial	▲★★★★	I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲★★★★	I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲★★★	I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲★★★	I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Taunton Deane Borough Council

Corporate Governance Committee – 21 March 2016

SWAP Internal Audit – Internal Audit Plan 2016/17

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Alastair Woodland, Audit Manager, SWAP

1 Executive Summary

- 1.1 This report introduces the Internal Audit Plan for 2016/17 and also incorporates an 'Internal Audit Charter' which sets out the operational relationship between TDBC and the South West Audit Partnership (SWAP).
- 1.2 This is a flexible plan that may be amended during the year to deal with shifts in priorities. The following plan has the support of the Section 151 Officer.

2 Recommendations

- 2.1 The Corporate Governance Committee is requested to approve the Internal Audit Plan for 2016/17.
- 2.2 The Corporate Governance Committee is requested to approve the Internal Audit Charter.

3 Risk Assessment

- 3.1 Any risks identified will feed in to the corporate risk management process.

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background and Full details of the Report

Internal Audit Plan 2016-17 (Appendix A)

- 4.1 The Internal Audit service for Taunton Deane Borough Council is delivered by South West Audit Partnership (SWAP).
- 4.2 The internal audit plan for 2016/17 is set out in the attached report from SWAP. I am satisfied that this plan is focussed on key risks areas, and will help provide me with assurance on internal controls.
- 4.3 This has been discussed and supported by the Councils Joint Management Team and is now shared with Members for approval.

Internal Audit Charter (Appendix B)

- 4.4 The internal audit service provided by the South West Audit Partnership (SWAP), works to a Charter that defines its roles and responsibilities and the roles and responsibilities of the Borough's managers as they relate to internal audit. Best practice in corporate governance requires that the Charter be reviewed and approved annually by the Corporate Governance Committee.

4.5 The Charter was last reviewed by the Corporate Governance Committee at their meeting on 9th March 2015.

4.6 As the Charter has only recently been updated to reflect the changes in roles and responsibilities, mainly job titles, and to address some of the minor requirements of the Public Sector Internal Audit Standards, there are no further changes required at this time.

5 Links to Corporate Aims / Priorities

5.1 There are no direct implications from this report.

6 Finance Implications

6.1 The plan will be delivered within the agreed budget for internal audit.

7 Legal Implications

7.1 There are no legal implications from this report.

8 Environmental Impact Implications

8.1 There are no direct implications from this report.

9 Community Safety Implications

9.1 There are no direct implications from this report.

10 Equality and Diversity Implications

10.1 The approval of the internal audit plan does not require an equalities impact assessment to be prepared.

11 Social Value Implications

11.1 There are no direct implications from this report.

12 Partnership Implications

12.1 The Strategic Director and the Internal Audit Team (SWAP – South West Audit Partnership) meet regularly to review the progress against plan. Quarterly updates are provided to this Committee.

13 Health and Wellbeing Implications

13.1 There are no direct implications from this report.

14 Asset Management Implications

14.1 There are no direct implications from this report.

15 Consultation Implications

15.1 There are no direct implications from this report.

Democratic Path:

- **Corporate Governance Committees – Yes**
- **Executive – No**
- **Full Council – No**

Reporting Frequency : **Once only** **Ad-hoc** **Quarterly**
 Twice-yearly **Annually**

List of Appendices

Appendix A	SWAP Internal Audit Plan 2016/17
Appendix B	SWAP Internal Audit Charter

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Taunton Deane Borough Council

Internal Audit Plan 2016-17

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Contents

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Role of Internal Audit & Background

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The Annual Audit Plan

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Appendix A - Plan Summary

Page 5, 6 & 7



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Our audit activity is split between:

- **Key Control Audit**
- **Governance, Fraud & Corruption Audit**
- **IT Audit**
- **Operational Audit**
- **Follow-Up Audit**
- **Non-Opinion Reviews**

Role of Internal Audit

The Internal Audit service for Taunton Deane Borough Council (TDBC) is provided by South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors and also guided by interpretation provided by the Public Sector Internal Audit Standards. The work of the Partnership is also guided by the 'Internal Audit Charter' which was last reviewed and approved by the Audit Committee at its meeting on 9th march 2015.

Internal Audit provides an independent and objective opinion on the Authority's governance, risk and control environment by evaluating its effectiveness. In order to achieve this, the audit activity is split across the review categories listed to the left.

Background

It is recommended by the Public Sector Internal Audit Standards that organisations nominate a 'Board' to oversee (monitor and scrutinise) the work of Internal Audit. As such, in addition to senior management oversight, this Council has determined that, the Corporate Governance Committee will undertake this function. The plan is presented in **Appendix A** to this report and represents the internal audit activity for the 2016/17 financial year.

It should be noted that plan days are only indicative for planning our resources. At the start of each audit an initial meeting is held to agree the terms of reference for the audit which includes the objective and scope for the review. Any changes to individual plan items, in terms of days, are managed within the annual payment made by the Council. The plan is pulled together with a view to providing assurance to both Officers and Members that current risks faced by the Authority are adequately controlled and managed. As with previous years the plan will have to remain flexible as new and emerging risks are identified. Any changes to the agreed plan will only be made through a formal process involving the Director of Operations (Section 151 Officer) and reported to this Committee.



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

The Annual Plan

The Annual Plan

In order to develop the plan for the year, the Audit Manager reviewed the Corporate Risk Register, Service Plans and Service Risk Registers as well as liaising with the Joint Management Team (JMT) and the Section 151 Officer.

The audit plan is notionally broken down across various audit categories; the following summarises each:

Key Control Audits – focus primarily on key risks relating to the Council’s major financial systems. The External Auditors have emphasised for this year that while they do not place reliance on the work of Internal Audit, they will continue to take assurance from it. The scope of some of these reviews will therefore change in emphasis to include controls that haven’t been included in previous years.

Fraud/Governance Audit – The focus of the Governance reviews is primarily the key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service level. It also provides an annual assurance review of areas of the Council that are inherently higher risk. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting most of these reviews at all our Partner Sites.

Fraud will continue to be a focal point of our work programmes in all areas, but to support the Council will have a specialist team that are able to respond and carry out ad-hoc investigations if the need should arise.

IT Audits – are completed to provide the Authority with assurance with regards to their compliance with industry best practice. Some of these audits have come from previous year assessments and our awareness of current IT risks.

The Annual Plan - Continued

The Annual Plan - Continued

Operational Audits – are detailed evaluation of service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated.

Follow Up Audits – Where an audit receives a Partial or No Assurance level, SWAP are required to carry out a follow up review to provide assurance that identified weaknesses have been addressed and risks mitigated. Known follow ups from work undertaken in the 2015-16 plan have been built in. A contingency has also been built in into the plan so that, should any early reviews be awarded this level of assurance, they can be followed up in a timely manner.

Non-Opinion Reviews – are undertaken at the specific request of management, where they may have some concerns or are looking for advice on a particular subject matter. Such reviews are not normally afforded an audit opinion.

The Annual Plan - Continued

The Annual Plan - Continued

Audit Drivers - A key element of risk based audit planning is the relative prioritisation of audit review work. This helps to ensure that resources are targeted at the most significant aspects of the Councils operations. A brief description explaining the context behind each of these 'drivers' is as follows;

SWAP Best Practice Reviews - These are audits which are carried out across the SWAP Partnership the outcomes of which will help to share knowledge and inform best practice and risk mitigation.

Risk Register - These reviews are undertaken to assess activity and provide assurance on the management and appropriate mitigation of corporate risk/and or service risk register.

Audit History - These reviews have been prioritised as a result of the time period since the last review.

Performance - These reviews are included to inform the Councils performance management framework and may also include areas of poor performance.

Impact - his provides coverage of those areas which are considered business critical

Business Change/Improvement - This recognises increased risk as a result of significant change

Fraud - To recognise the inherent risk of fraud in particular systems or activities of the Council.

Corporate Priorities - Assess performance and support development of areas contained in the Corporate Plan.

The schedule provided at **Appendix A** details the Annual Internal Audit Plan for 2016/17.

Audit Title	Resource (days)	Key Drivers							
		SWAP Best Practice Reviews	Risk Register (Corporate or Service)	Audit History	Performance	Impact	Business Change/Improvement	Fraud	Corporate Priorities
Key Control									
Housing Rents	15					Y		Y	
Main Accounting	17		Y			Y		Y	
Creditors	15					Y		Y	
Council Tax & NNDR	15					Y		Y	
Debtors	15		Y			Y		Y	
Housing Benefits	12					Y		Y	
Payroll	8					Y		Y	
Treasury Management	8					Y		Y	
Governance, Fraud & Corruption									
Imprest/Cash Spot Checks	10			Y				Y	
Transformational Programme	10		Y			Y	Y		Y
DLO Transformation/Relocation Programme	15		Y			Y	Y		
SWO Succession Planning	15		Y			Y	Y		
Information/Data Security/Data Protection	12	Y				Y			
Members Expenses	10			Y				Y	
Absence Management	12				Y				



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Audit Title	Resource (days)	Key Drivers							
		SWAP Best Practice Reviews	Risk Register (Corporate or Service)	Audit History	Performance	Impact	Business Change/Improvement	Fraud	Corporate Priorities
ICT Audits									
New Financial System	15		Y			Y	Y		
To be confirmed	20								
Operational Audits									
Housing – Responsive Maintenance	14			Y				Y	Y
Licensing	12				Y	Y			
Supported Housing - (Extra Care and Sheltered)	12		Y	Y					
Capital Programme Approval & Monitoring	12			Y		Y			
Crematorium	12		Y	Y		Y			
Follow-Up Audits									
Housing Voids	4								
Gas Servicing	4								
Asset Management	4								
IT Hardware Asset Management	4								
Software Asset Management	4								
Commercial Rents	4								
Non Project Related									
Follow-ups Contingency	6								
Corporate Advice	10								
Committee Reporting & Attendance	8								
Planning/Client Liaison	12								
Contribution to SWP	2								



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS and the CIPFA Code of Practice for Internal Audit in England and Wales.

Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Taunton Deane Borough Council, and to outline the scope of internal audit work.

Approval

This Charter was approved by the Corporate Governance Committee on 25th September 2006 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the Corporate Governance Committee¹ on 9th March 2015.

Provision of Internal Audit Services

The internal audit service is provided by the South West Audit Partnership Limited (SWAP). SWAP is a Local Authority controlled company. This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Council, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the Council, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the Council's level of contribution to SWAP. This is reviewed each year by the Director - Operations (Section 151 Officer) in consultation with the Chief Executive of SWAP.

Role of Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management and of Internal Audit

Management²

Management is responsible for determining the scope, except where specified by statute, of internal audit work and for deciding the action to be taken on the outcome of, or findings from, their work. Management is responsible for ensuring SWAP has:

- the support of management and the Council; and
- direct access and freedom to report to senior management, including the Council's Chief Executive and the Corporate Governance Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Authority. Management is also responsible for the appropriate and effective management of risk.

Internal Audit

Internal audit is responsible for operating under the policies established by management in line with best practice.

¹ The Standards require that Internal Audit report to the Board. CIPFA have, via the Public Sector Internal Audit Standards (PSIAS) Guidelines, determined that the Corporate Governance Committee in this instance represents the Board.

² In this instance Management refers to the Joint Management Team.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for Taunton Deane Borough Council will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. The Chief Executive for SWAP and the Group Audit Manager also report to the Strategic Director, as Section 151 Officer, and reports to the Corporate Governance Committee as set out below.

Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of Taunton Deane Borough Council.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether Taunton Deane Borough Council is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- reviewing the operations of the council in support of the Council's anti-fraud and corruption policy.

- at the specific request of management, internal audit may provide consultancy services provided:
 - the internal auditors independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources within the annual audit plan
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Corporate Governance Committee, for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Director. SWAP will report at least two times a year to the Corporate Governance Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Corporate Governance Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Director - Operations (Section 151 Officer) and to other relevant line management.

The Chief Executive of SWAP will submit an annual report to the Corporate Governance Committee providing an overall opinion of the status of risk and internal control within the council, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Corporate Governance Committee, the Council's Chief Executive Officer or the External Audit Manager.

Revised March 2016



SWAP

SOUTH WEST AUDIT PARTNERSHIP

Delivering Audit Excellence



SWCFP

SOUTH WEST COUNTER FRAUD PARTNERSHIP

Prevent - Detect - Deter

SOUTH WEST COUNTER FRAUD PARTNERSHIP

REPORT ON PROGRESS

Nick Hammacott, BSc (Hons), GCFS
Investigation Manager

SOUTH WEST COUNTER FRAUD PARTNERSHIP

WHAT ARE OUR GOVERNANCE ARRANGEMENTS?

- Service Level Agreement
- Data Protection Protocol
- Investigation Work Plan
- Quarterly Client Liaison Meetings
- Partnership Board Meetings

SOUTH WEST COUNTER FRAUD PARTNERSHIP

WHAT ARE OUR TARGETS?

- Financial savings across all partners at year end (£88.7k)
- Financial saving for TDBC based on its match funding contribution (£44.3k)

SOUTH WEST COUNTER FRAUD PARTNERSHIP

WHAT IS THE INVESTIGATION PLAN AND HOW WAS IT CONSTRUCTED?

PROACTIVE WORK	
Priority level	Area of investigation
High	Housing Tenancy Fraud Right to Buy Fraud Procurement
Medium	CTAX Discounts and exemptions Insurance
Low	NDR Discounts and exemptions Debt fraud Employee fraud Grant Fraud
ADDITIONAL PROACTIVE WORK	
National Fraud Initiative Duplicate payments	
REACTIVE WORK	
Ad-hoc/Whistleblowing	
PREVENTATIVE WORK	
Fraud Awareness Presentation	

SOUTH WEST COUNTER FRAUD PARTNERSHIP

WHAT HAVE WE BEEN WORKING ON?

- Collection and analysis of Council data sets
- Testing of duplicate payments
- Testing of Right to Buy applications
- Fraud Awareness Presentations - Staff and Members

SOUTH WEST COUNTER FRAUD PARTNERSHIP

WHAT ARE WE / WILL WE BE WORKING ON?

- Six active investigations
- Active engagement with Housing
- Analysis of CTAX SPDs to other data sets
- Second tranche of Fraud Awareness Sessions

SOUTH WEST COUNTER FRAUD PARTNERSHIP

THANK YOU FOR LISTENING

Any questions?

Taunton Deane Borough Council

Corporate Governance Committee 21 March 2016

Anti-Fraud and Corruption Policy and Strategy

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Heather Tiso, Revenues & Benefits Service Manager

1 Executive Summary

- 1.1 Responsibility for benefit fraud passed to the Department for Work and Pensions through the formation of the Single Fraud Investigation Service, in June 2015. From August 2015 the South West Counter Fraud Partnership (SWCFP) has delivered a Corporate Anti-Fraud service, providing a full counter fraud function for Taunton Deane Borough Council.
- 1.2 The Anti-Fraud and Corruption Policy and Strategy has been refreshed to recognise SWCFP's anti-fraud activities, as well as updating for procedural changes. In addition, the policy now provides guidance on the options available to deal with those committing Council Tax or Council Tax Support fraud or those who negligently make incorrect statements, or fail to notify a change affecting their entitlement to a Council Tax discount, exemption or reduction.
- 1.3 The Corporate Governance Committee is invited to comment upon the revised policy and strategy ([Appendix B](#)).

2 Recommendations

- 2.1 The Corporate Governance Committee notes and comments on the draft revised Anti-Fraud and Corruption Policy and Strategy ([Appendix B](#)) for consideration by the Executive.
- 2.2 The Corporate Governance Committee supports the introduction of penalty charges to assist in the prompt and accurate assessment of Council Tax liability, for recommendation to the Executive.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
There is a risk to the Council's reputation should any penalties be applied inconsistently or unfairly	3	3	9
<i>The mitigations for this are the proposed changes as set out in the report - A robust policy to provide clear guidelines to staff making such decisions and allow an element of discretion in exceptional circumstances.</i>	2	2	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

- 4.1 In the Autumn Statement in December 2013, the Government announced the formation of a Single Fraud Investigation Service (SFIS), to be managed by the Department for Work and Pensions (DWP), to be solely responsible for the investigation and detection of all benefit related fraud. As a consequence, investigation of Housing Benefit and residual Council Tax Benefit fraud transferred to SFIS, with employees assigned solely or primarily to this activity transferring to the DWP.
- 4.2 The implementation date for SFIS in Taunton Deane was 1 June 2015 and on that date, two staff employed in our shared Revenues and Benefits Service, whose duties were primarily to investigate Housing Benefit fraud, transferred their employment to the DWP. SFIS is not responsible for investigating non-benefit and local taxation fraud such as Council Tax Single Persons Discount or Tenancy Fraud and the responsibility remains with Taunton Deane Borough Council.

- 4.3 On 10 March 2014 the Corporate Governance Committee approved an Anti-Fraud and Corruption Policy setting out the high level priorities we need to meet to achieve the Council's vision of zero tolerance for fraud, corruption and bribery throughout the authority.
- 4.4 On 2 July 2014, the DCLG invited Local Authorities to submit proposals for funding to deliver financial savings through counter fraud activities. The DCLG specified that proposals, submitted in a bidding process, should seek to achieve efficiencies and transformation through partnership working between Local Authorities and/or with other public and private sector partners.
- 4.5 Taunton Deane Borough Council, West Somerset Council and South Somerset District Council worked with the South West Audit Partnership Ltd (SWAP) to submit a successful bid for funding. The DCLG provided funding of £110k with match funding of £40k provided by the three Councils. Through our successful bid, from August 2015 we have been able to deliver a Corporate Anti-Fraud service, with SWAP managing and operating a full counter fraud function for the partner authorities.
- 4.6 We have revised and updated the Anti-Fraud and Corruption Policy and Strategy ([Appendix B](#)) in recognition of changes since its introduction in 2014 and to reflect current best practice and guidance. The Whistle-blowing Policy ([Appendix C](#)), Anti-Bribery Policy ([Appendix D](#)) and the Anti-Money Laundering Policy ([Appendix E](#)) have also been updated for revisions in named officers and are attached to this report.
- 4.7 Our revised Anti-Fraud and Corruption Policy and Strategy, underpinned by supporting policies and procedural guidance, is key in assisting in the on-going improvement of fraud prevention controls and in detecting and investigating fraud committed against the Council.

5 Council Tax Fraud and Penalties

- 5.1 The Council has powers to impose a Council Tax penalty on those charge payers who neglect to inform the Council of changes affecting their Council Tax liability or to those who fail to provide information following a proper written request. Amendments to the Anti-Fraud and Corruption Policy and Strategy provide clear guidance on the application of penalties and an internal review procedure for dealing with any appeals. This guidance will provide information to residents on when penalties will be imposed as well as ensuring consistency for officers imposing the penalties. It is therefore proposed to implement the power to impose penalties upon the approval of the policy.
- 5.2 Where it is evident that the behaviour of the Council Tax charge payer warrants a criminal investigation, the Council can undertake a fraud investigation. Where evidence is strong enough for a prosecution the Council would reserve the right, to impose a fine of 50% of the excess Council Tax discount applied, up to a value of £1,000. However, the cost of this approach is likely to be in excess of the discount that has been fraudulently claimed. Therefore, the approach will not be cost effective in the majority of cases, despite the deterrent effect.

6 Links to Corporate Aims / Priorities

- 6.1 In utilising effective anti-fraud measures, this report links to the Council's Corporate Priorities to "Achieve financial sustainability by protecting the Council's overall financial exposure and risk" and to "Transform the way we work by creating effective risk management processes that are developed and applied throughout the organisation to ensure good governance and internal control."

7 Finance / Resource Implications

- 7.1 The Anti-Fraud and Corruption Policy and Strategy provides a consistent framework for managers and Members to enable effective deterrence, detection and investigation of fraud and corruption and consequently will assist the Council in achieving financial sustainability.
- 7.2 Any income collected from penalties raised would be retained solely by the billing authority (Taunton Deane Borough Council), with any additional income raised by reducing a Council Tax discount being shared between the precepting authorities.
- 7.3 It is difficult to predict the level of revenue that may be raised through the imposition of penalties or the collection rate that would be achieved. The primary objective of using these measures is to either ensure we bill the correct person for the correct amount or to aid recovery where the bill payer is in paid employment.
- 7.4 The cost of prosecutions under the Fraud Act is borne by Taunton Deane Borough Council and as such, prosecutions should only be taken where it is financially viable to do so.

8 Legal Implications

- 8.1 The legislation concerning matters within the Anti-Fraud and Corruption Policy and Strategy is mainly contained in:
- The Fraud Act 2006
 - Theft Act 1968
 - Bribery Act 2010
 - Local Government Finance Act 1992
 - The Local Government Finance (England) (Substitution of Penalties) Order 2008 SI 2008/981
 - Regulation of Investigatory Powers Act 2000
 - Social Security Administration Act 1992
 - Social Security (Civil Penalties) Regulations 2012.
 - Police and Criminal Evidence (PACE) Act 1984 and the Criminal Procedures and Investigation Act 1996
 - Prevention of Social Housing Fraud Act 2013
 - The Council Tax (Administration and Enforcement) Regulations 1992 SI 1992/613 – Regulations 2, 3, 11, 12, 16 and 29
 - The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

9 Environmental Impact Implications

9.1 There are no environmental implications associated with this report.

10 Safeguarding and/or Community Safety Implications

10.1 Safeguarding and community safety implications have been considered, and there are not expected to be any specific implications relating to this report.

11 Equality and Diversity Implications

11.1 Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority *must* have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

11.2 The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.

11.3 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

11.4 Equality Impact analysis has been completed ([Appendix A](#)) with no adverse impacts identified.

12 Social Value Implications

12.1 There are no social value implications associated with this report.

13 Partnership Implications

13.1 Partnership implications have been considered, and are discussed in the main body of this report.

14 Health and Wellbeing Implications

14.1 There are no Health and Wellbeing implications associated with this report.

15 Asset Management Implications

15.1 There are no asset management implications associated with this report.

16 Consultation Implications

16.1 There are no Consultation implications associated with this report.

17 Scrutiny Comments / Recommendation(s)

17.1 Not applicable

Democratic Path:

- **Audit Committee - Yes**
- **Executive - Yes**
- **Full Council - No**

Reporting Frequency: **Once only**

List of Appendices (delete if not applicable)

- [Appendix A](#) Equality Impact Assessment
- [Appendix B](#) Anti-Fraud and Corruption Policy and Strategy
- [Appendix C](#) Whistle-blowing Policy
- [Appendix D](#) Anti-Bribery Policy
- [Appendix E](#) Anti-Money Laundering Policy

Contact Officers

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Appendix A

Officer completing EIA form:		Job Title:	Team/Service:
Heather Tiso		Revenues & Benefits Service Manager	Revenues & Benefits Service
Why are you completing the impact assessment? Please ✓ as appropriate			
Proposed new policy or service	Change to policy or service	MTFP	Service review
	✓		
1 Description of policy, service or decision being impact assessed:			
<p>Taunton Deane Borough Council aims to promote a clear, fair and consistent approach to anti-fraud and anti-corruption measures. In addition, the aim of the policy is to reinforce the Council's vision of zero tolerance for fraud, corruption and bribery throughout the authority by creating a strong and effective anti-fraud, anti-theft and anti-corruption culture.</p> <p>The Council has produced an anti-fraud and corruption policy and strategy to support the achievement of these aims. The Council's objective is to produce a definitive anti-fraud and corruption policy and strategy informed by published best practice. The policy and strategy details our approach to reduce the opportunity for fraud and error to occur and sets out our commitment to use all legal sanctions available, including prosecution.</p> <p>In summary the policy will</p> <ul style="list-style-type: none"> • provide a consistent framework for managers and Members - this enables effective deterrence, detection and investigation of fraud and corruption. • detail the responsibilities of employees, management and internal audit with regard to fraud and dishonesty 			
2 People who could be affected, with particular regard to the legally defined protected characteristics¹:			
<ul style="list-style-type: none"> • Members, Officers, Partners, Contractors and Residents to raise awareness that fraud and corruption are serious issues and to make them aware of their responsibilities • We have a statutory duty to provide services, discounts and grants regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer. People of all ages will be our customers. However some statutory provisions apply, for example the access to some services or benefits by some foreign nationals or the help available within Council Tax legislation to those with a specific impairment or disability. <p>In considering the impact on those with protected characteristics, the following has been identified:</p> <p>Disability</p> <p>There could be some difficulty in understanding the policy and its potential impact if a person has learning difficulties, inability to read/write and/or reduced mental capacity. The main way in which the Council interacts with its residents is in writing – whether that be by post or digitally – it is likely to involve reading and digesting information which people with disabilities may find difficult.</p>			

¹ For protected characteristics, please visit:
<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

Race

There could be a potential impact for any residents where English is not their first language. There could be a language barrier which could mean that the recipient may not understand the communications and the need to report changes.

3 People and Service Area who are delivering the policy/service/decision:

- Taunton Deane Borough Council Staff
- South West Audit Partnership (SWAP) including the South West Counter Fraud Partnership (SWCFP)

4 Evidence used to assess impact: *Please attached documents where appropriate.*

Currently we have no data to evidence any dissatisfaction as a direct or indirect result of how we deliver the anti-fraud activities in meeting our duties under the Equality Act 2010.

5 Conclusions on impact of proposed decision or new policy/service change:

The Anti-Fraud and Corruption Policy aims to prevent, detect and deter Fraud in Taunton Deane Borough. It provides:

Assurance to residents of Taunton Deane Borough Council that those who attempt to defraud will be sanctioned;

- Consistency of approach in dealing with cases of proven fraud
- Guidance for Officers
- Ensures good stewardship and that we are proactive in addressing fraud

Investigations are carried out on the circumstances of allegations without regard to the group into which those involved fall. As the policy will be applied consistently regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer, there should be no negative or unequal outcome on different groups.

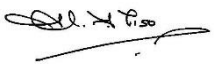
There are mitigating factors, as explained in the action plan below, to help to minimise the impact on those who may be adversely affected. The element of discretion will also help to minimise any adverse impacts where it is deemed necessary

6 Recommendations based on findings. These need to be outlined in the attached action plan.

Our policy has been developed taking into consideration advice given by the Chartered Institute of Public Finance and Accountancy, the European Institute for Combatting Corruption and Fraud (TEICCAF), the Audit Commission and the Attorney General's Office.

Identify the range of options to address the impact to in order to meet the general duties; more than one may apply.

1. No major change ✓
2. Adjust the policy
3. Continue the policy
4. Stop and remove the policy

Equality Impact Assessment Action Plan							
Group Affected	Action required		Expected outcome of action	Person to undertake action	Service Plan - for monitoring		Expected Completion date
Age	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Disability	To mitigate these factors the Revenues & Benefits Service would engage with adult social care/social workers who may be supporting these individuals. We would also look to ensure the information is as well publicised as possible to both residents and staff using methods such as posters and leaflets and making direct contact with stakeholders. Information on penalties will be provided with all Council Tax bills to raise awareness.						On-going
Gender Re-assignment	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Marriage and Civil Partnership	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Pregnancy and Maternity	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Race ¹	To mitigate this we would look to include a statement on each communication stating the information can be provided in a different language or format on request.						On-going
Religion and Belief	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Sex	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Sexual Orientation	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Rurality	Neutral - No impact identified at this time		Not applicable	Not applicable	Not applicable		Not applicable
Author's Signature:			Ref/Report Title:	Council Tax penalties	Date:	8 February 2016	EIA Version:
Contact Details:	Tel:	01823 356541	Extn:	N/A	Email:	h.tiso@tauntondeane.gov.uk	

¹ Including ethnicity, national origin, colour, nationality, gypsies and travellers.



**Anti-Fraud and Corruption
Policy and Strategy**

Version: V2.1
Author: Heather Tiso
Applies to: Taunton Deane Borough Council
Approved Corporate Governance Committee - 21 March 2015
Effective from: 1 April 2016

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Policy

Policy Statement

This Statement sets out Taunton Deane Borough Council's policy on fraud and corruption.

With the responsibility for delivering services and benefits, Taunton Deane Borough Council takes its stewardship of public money very seriously. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud, theft and corruption whether these are attempted internally or externally against the Council as an organisation or by individuals.

Taunton Deane Borough Council operates a culture of transparency and fairness and expects members and employees to adopt the highest standards of propriety and accountability. The Council will operate a **zero tolerance** of fraud, theft and corruption. This environment will support and reinforce the Council's vision for fraud, theft and corruption to be minimised throughout the authority, and linked third parties, by creating a strong and effective anti-fraud, anti-theft and anti-corruption culture.

The Council will not tolerate fraud or corruption by its councillors, employees, suppliers, contractors, partners, service users or members of the general public. It will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal, civil action for recovery and/or referral to the Police and/or other agencies.

The Council aims to address, and where appropriate investigate, all incidents of fraud, theft and corruption in a structured and prioritised way to support the corporate objective of:-

Zero tolerance for fraud, theft and corruption whilst delivering high quality, high performing, value for money services in accordance with the principles set out in the Council's Medium Term Financial Strategy.

The Council expects members and staff at all levels to be aware of the standards of conduct expected of them and the procedures designed to reduce the risk of fraud and corruption occurring.

Members and staff are responsible for their own conduct and compliance with this policy and are required to comply with their respective codes of conduct.

There is an expectation and requirement that individuals, suppliers and organisations associated in whatever way with the Council will act with integrity and that Members and Council staff will lead by example in these matters.

Members and staff are positively encouraged to raise any concerns on fraud, theft and corruption matters through the appropriate mechanism. They can do so in the knowledge that such concerns will be treated in confidence and properly investigated. See Anti-Fraud Response Procedure ([Appendix 4](#)).

The Council will deal swiftly and thoroughly with any Councillor or member of staff who defrauds or attempts to defraud the Council or who is corrupt. The Council will be robust in dealing with financial malpractice.

The Committee in Public Life produced a report which sets out seven principles of public life. We endorse these principles that apply to everybody who is involved with the work of this Council, including:

- councillors
- employees
- contractors
- consultants
- suppliers and partners
- customers and residents who deal with us

In addition, the Council expects the citizens of Taunton Deane to be honest in their dealings with us.

This Policy Statement is underpinned by an Anti-Fraud and Corruption Strategy. The Strategy sets out the actions the Council proposes to take to continue to develop its resilience to fraud and corruption. It sets out the key responsibilities on fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

Strategy

Introduction

The Council recognises that fraud and other forms of financial irregularity can:

- Undermine the standards of public service the Council seeks to achieve;
- Reduce the level of resources and services available for the residents of Taunton Deane; and
- Result in major consequences that reduce public confidence in the Council.

Definitions of Fraud, Theft, Corruption and Bribery are shown in [Appendix 1](#).

This Strategy defines both the proactive and reactive components of a good practice response to fraud risk management. It sets out the key responsibilities within the Council on fraud prevention, what to do if fraud is suspected and the action that will be taken. The Strategy provides overarching governance to the Council's range of interrelated policies and procedures to provide a framework to counter fraudulent or corrupt activities. These include:

- The [Constitution](#) (including Financial Regulations)
- Standards Advisory Committee and Corporate Governance Committee
- [Employee Handbook](#) (including standards of conduct for staff)
- National Fraud Initiative (NFI) and data matching through the South West Counter Fraud Partnership
- Corporate risk register
- Audit procedures with South West Audit Partnership (SWAP)
- [Complaints](#) Procedures
- Anti-Fraud and Corruption Policy
- [Corporate Debt Management Policy](#)
- [Disciplinary Policy](#)
- [Recruitment and Selection Procedures](#)
- [IT Security Policy](#)
- [Procurement and Contract Procedures](#)
- Register of Interests gifts and hospitality for both Members and Officers
- [Whistle-blowing Policy](#)

Strategy Aims and Objectives

Through this Strategy the aims and objectives are to:

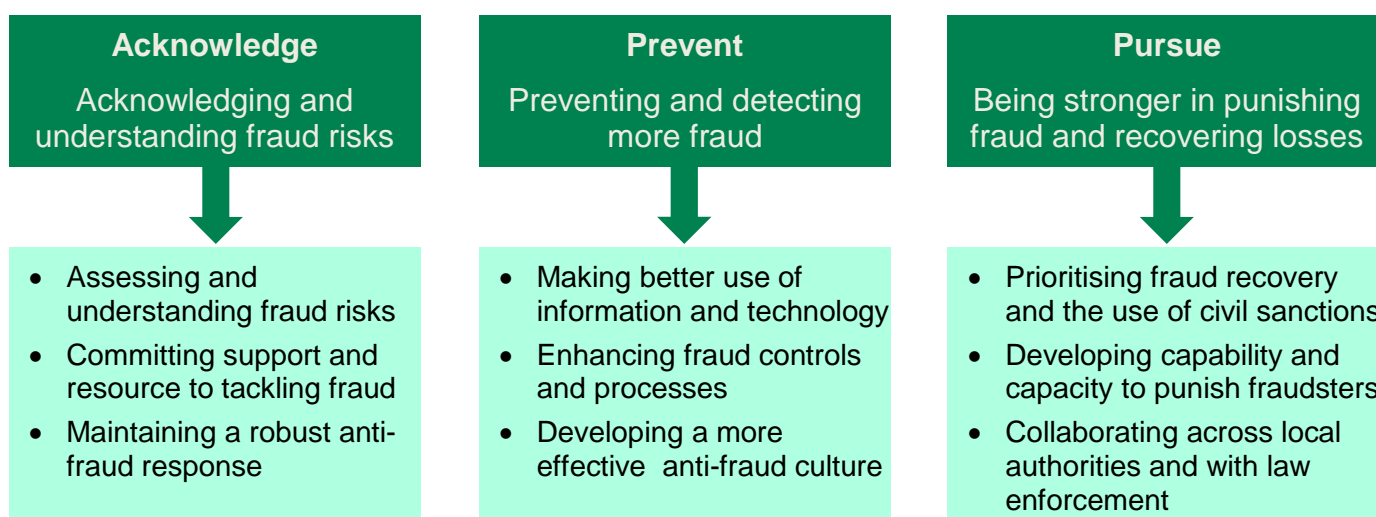
- Provide a clear statement of the Council's position on fraud, theft and corruption
- Protect the Council's valuable resources by ensuring they are not lost through fraud but are used to provide quality services to Taunton Deane residents and visitors
- Promote good Governance in all areas of the Council
- Pursue **zero tolerance** of fraud, theft and corruption and apply appropriate sanctions, ranging from criminal prosecutions and civil hearings to disciplinary action, to all who commit acts of fraud, theft or corruption against the Council.
- Promote public confidence, engage with stakeholders, members and employees to report crime and to minimise the reputational risk to the Council from adverse publicity
- Help maintain the principles of the Council's Medium Term Financial Strategy by deterring fraud, theft and corruption and minimising irrecoverable losses
- Promote a culture of integrity and accountability for Members, staff and all those the Council does business with
- Raise awareness of the risk of fraud and corruption perpetrated against the Council.
- Apply designated resources to meet genuine service needs by filtering out fraud, theft and corruption and applying risk proportionate resource allocation.
- Ensure the resources dedicated to combatting fraud are sufficient and those involved are appropriately skilled
- Proactively deter, prevent and detect fraud, theft and corruption
- Investigate suspected or detected fraud, theft and corruption
- Enable the Council to apply appropriate sanctions and recover loss
- Inform policy, system, risk management and control improvements, thereby reducing the Council's exposure to fraudulent activity
- Create an environment that enables the reporting of any genuine suspicions of fraudulent activity.
- Ensure the rights of people raising legitimate concerns are properly protected
- Work with partners and other investigative bodies to strengthen and continuously improve the Council's resiliency to fraud and corruption

National Regional and Local Policy Context

This Strategy adheres to the Chartered Institute of Public Finance and Accountancy (CIPFA) [Code of Practice on Managing the Risk of Fraud and Corruption 2014](#). The Code requires leaders of public sector organisations to have a responsibility to embed effective standards for countering fraud and corruption in their organisations to support good governance and demonstrate effective financial stewardship and strong public financial management. The five key elements of the CIPFA Code are to:

Acknowledge Responsibility	The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.
Identify Risks	Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.
Develop a Strategy	An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.
Provide Resources	The organisation should make arrangements for appropriate resources to support the counter fraud strategy.
Take Action	The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.

The five elements link to three key themes: Acknowledge, Prevent and Pursue, contained within the [Local Government Fraud Strategy: Fighting Fraud Locally](#).



The Council seeks to fulfil its responsibility to reduce fraud and protect its resources by a strategic approach consistent with that outlined in both CIPFA's [Code of Practice on Managing the Risk of Fraud and Corruption 2014](#) and in the [Local Government Fraud Strategy: Fighting Fraud Locally](#), and its three key themes of Acknowledge / Prevent / Pursue.

ACKNOWLEDGE	Committing Support	The Council's commitment to tackling fraud threat is clear. We have strong whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. Staff awareness of fraud risks is through e-learning and other training. Our suite of counter fraud strategies, policies and procedures is widely published and kept under regular review.
	Assessing Risks	We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities. Elected Members and Senior Officers have an important role to play in scrutinising risk management procedures and risk registers. SWAP will carry out assurance work in areas of higher risk to assist management in preventing fraudulent activity.
	Robust Response	We will strengthen measures to prevent fraud. SWAP will work with management and services such as HR, Finance, Legal and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.
PREVENT	Better Use of Information Technology	We will make use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud. We will play an active part in the biennial National Fraud Initiative (NFI) data matching exercise.
	Fraud Controls and Processes	We will educate managers with regard to their responsibilities for operating effective internal controls within their service areas. We will promote strong management and good governance that provides scrutiny and independent challenge to risks and management controls. Routine SWAP reviews will seek to highlight vulnerabilities in the control environment and make recommendations for improvement.
	Anti-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work.
PURSUE	Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
	Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action.
	Enforcement	We will investigate instances of suspected fraud detected through the planned proactive work; cases of suspected fraud referred from internal or external stakeholders, or received via the whistleblowing procedure. We will work with internal / external partners/organisations, including law enforcement agencies.

We have also drawn on good practice guidance produced by the European Institute for Combatting Corruption and Fraud (TEICCAF) ([Protecting the English Public Purse 2015](#)).

Our Anti-Fraud and Corruption Policy links to Taunton Deane Borough Council's Corporate plan in the aims of ensuring the Council is well managed and provides value for money, uses data more intelligently, and continually appraises what it does and how it does it and delivers services to the highest affordable standards.

South West Counter Fraud Partnership

The Council, together with West Somerset Council, South Somerset District Council and the South West Audit Partnership (SWAP) submitted a successful bid for funding from the Department for Communities and Local Government (DCLG) to establish the South West Counter Fraud Partnership (SWCFP). SWCFP provides a Corporate Anti-Fraud service, with SWAP managing and operating a full counter fraud function for the partner authorities. SWCFP Officers are qualified or accredited Counter Fraud Specialists that will ensure fraud prevention controls safeguard the partner authorities appropriately.

SWCFP will place greater emphasis on a targeted approach to review key fraud risk areas and areas identified at greatest risk from fraud. This will not compromise our equality and diversity policy or any obligations as an employer under the code of conduct for local government employees.

Culture

We are committed to ensuring that our culture will continue to be one of honesty and opposition to fraud, theft and corruption. There is an expectation and requirement that all individuals and organisations associated in whatever way with us will act with integrity and that Council staff and Members, at all levels, will lead by example in these matters.

The Council's elected Members play an important role in creating and maintaining this culture and have their own Members Code of Conduct (contained within the Council's [Constitution](#)).

The Leadership Team and Service Managers must ensure the risks of fraud, theft and corruption are effectively managed at strategic and operational levels with competent and trained staff working with systems that incorporate effective anti-fraud, anti-theft and anti-corruption controls with appropriate risk management and review for all risk areas. Individual members of staff also have responsibilities, both personal and corporate, in the prevention and detection of fraud. Responsibilities are outlined in [Appendix 2](#).

The risks of fraud, theft and corruption must be considered as part of the Council's risk management arrangements, and should be embedded in the culture at all levels from the corporate strategic level to individual performance agreements. These should be monitored regularly within service units and audited during compliance audits.

SWCFP will measure not only anti-fraud, anti-theft and anti-corruption activity e.g. attempts, referrals, investigations, sanctions, but will also measure outcomes.

Appropriate sanctions must be taken if fraud, theft or corruption is detected and where possible losses must be minimised. These are set out in the Prosecutions, Sanctions and Redress Protocol ([Appendix 5](#)).

Awareness and Training

The success of this policy and its general credibility will depend on the effectiveness of training in making elected members and employees of the Council and its partners aware of the risk of fraud. All staff will receive Fraud Awareness training as part of the corporate induction programme and staff in high risk areas will receive regular Fraud Awareness training. Proactive exercises will be undertaken in high risk areas. This training will include awareness of bribery and corruption.

All those working in the South West Counter Fraud Partnership (SWCFP) will be professionally trained and accredited in their role or working towards accreditation. Skills and continuous professional development will be reviewed and updated at least annually through personal development plans.

Publicity

The Communication and Publicity Plan ([Appendix 6](#)) will include measures to highlight both internally and externally the effectiveness of the Council's anti-fraud arrangements by reporting on items such as potential and actual financial savings, sanctions achieved, and case outcomes.

Taunton Deane Borough Council works with other agencies to support their anti-fraud activities. These agencies include:

- National Anti-Fraud Network (NAFN)
- The Department for Works and Pensions (DWP)
- Other Local Authorities
- HM Revenues and Customs
- The Home Office
- The Police

Whenever possible, we work in partnership with these agencies in targeted fraud drives and in sharing information and conducting joint investigations. We have agreed a Partnership Agreement with the DWP that sets out the principles for effective partnership working between the DWP Fraud Investigation Team and Taunton Deane Borough Council. The agreement covers the main aspects of how each organisation will work together on matters of Administration, Security and Fraud on Benefit claims that have a joint Jobcentre Plus and TDBC interest.

Prevention

Systems

The Council's Financial Regulations require the Section 151 Officer to maintain a planned continuous internal audit to assist in the protection of the Council's assets and the detection and prevention of fraud and error.

The Section 151 officer has statutory responsibility under the Local Government Act 1972 and the Accounts and Audit Regulations 2011, to ensure the proper arrangements of the Council's financial affairs.

The Section 151 Officer has developed financial codes of practice and accounting instructions that:

- maintain an effective accounting system
- operate an appropriate system of internal control
- comply with statutory financial reporting requirements
- maintain an adequate and effective internal audit

The monitoring officer has a statutory responsibility under section 5 of the Local Government Housing Act 1989 for monitoring the conduct of the Council's business.

SWAP conduct compliance checks throughout the Council. Any issues identified by SWAP regarding potential fraud, theft or corruption arising from discrepancies or loop holes in systems will be highlighted to decide if a proactive investigation is required and/or to identify future preventative measures to avoid occurrence and re-occurrence of fraud, theft or corruption. The issues or outcomes will be monitored by SWAP and the appropriate Service Manager.

External Audit is responsible for reviewing the Council's arrangements for preventing and detecting fraud and corruption.

The Council's Corporate Governance Committee provides an independent and objective view of internal control by:-

- considering audit plans
- overseeing internal and external audit services
- receiving appropriate reports from the audit managers and the Section 151 Officer.

We have developed, and are committed to continuing with, systems and procedures that incorporate efficient and effective internal controls and which include adequate separation of duties. The following are some examples of the measures taken to prevent fraud, theft or corruption:

- Suitable training in Fraud Awareness for all staff and Members;
- Our ability and willingness to respond to recommendations on good practice by the TEICCAF, the South West Audit Partnership (SWAP) and our own evaluation to improve performance;
- Compliance with the good practice set down in the Department for Work and Pensions Verification Framework - this provides a robust validation of documents and evidence provided by customers in support of their claims;
- Risk-based intervention of existing Housing Benefit and Council Tax Support claims through intelligence gathered locally as well as prioritising cases identified through the Housing Benefit Matching Service (HBMS) and National Fraud Initiative (NFI);
- Positively encouraging our customers to tell us quickly of changes in their circumstances, e.g. all our benefit claim forms and letters, as well as various leaflets, remind customers of their responsibilities. We also promote swift notification of changes through our website, Newsletters and articles in the Deane Dispatch;

- Suitable consideration on the design and format of claim forms to ensure we achieve a balance between simplicity and the need to get accurate information and prevent customers putting in fraudulent claims;
- Using integrated Document Management in the Revenues and Benefits Service to electronically store all documents we receive and enable instant viewing access reducing risk of loss and helps us to investigate any fraudulent activity;
- Comprehensive application forms for all applications for Benefits, Grants and accommodation and rigorous verification of all applications including proof of identity, income and capital where appropriate;
- The Revenues and Benefits Service takes part in the Royal Mail 'Do Not Redirect' scheme, whereby benefits correspondence is sent out using distinctive envelopes. Any benefit recipient who has moved away from the address where he or she was claiming will not have any mail sent on to their forwarding address and the correspondence will be returned to the Benefits Service for further investigation. In using the mail "Do Not Redirect Scheme", the Post Office also tells us the address the mail would have been sent to.

Employees

We recognise that a key preventative measure in the fight against fraud, theft and corruption is to take effective steps at the recruitment stage to establish as far as possible, the previous record of potential staff, in terms of their propriety and integrity. Temporary and contract staff should be treated in the same manner as permanent staff.

Staff recruitment must be in accordance with approved employee selection policies. Disclosure and Barring Service (DBS) checks are made where appropriate.

Immigration status and proof of the right to work in the UK will be requested from successful job applicants. Some of the checks may result in further information being required to fully ascertain the validity of the immigration status.

Initial propriety checks will be undertaken on all successful applicants for internal and external vacancies. These will include checks on identity, qualifications, references and employment history. Applicants for certain roles, such as those that handle money regularly, will have additional checks such as DBS or financial checks. All these checks will be undertaken by trained staff. Discrepancies or queries will be referred to the South West Counter Fraud Partnership (SWCFP)

Temporary staff and contractors working for the Council will be subject to periodic random propriety checks conducted by trained officers. Ideally all temporary staff should have propriety checks but this may not always be possible. Temporary staff and contractors who work in high risk areas such as Revenues and Benefits will be subject to basic in service propriety checks but if the contract is longer than for 3 months such staff will be subject to the same checks as permanent staff in the same position.

Employees are expected always to be aware of the possibility that fraud, theft or corruption may exist in the workplace and be able to share their concerns with management.

Service Managers have responsibility to review and identify fraud, theft or corruption risks within new policies and systems; likewise to revise existing policies and systems to remove potential weaknesses.

Service Managers must ensure that adequate levels of internal checks are included in operational procedures. It is important duties are organised in such a way that no one person can carry out a complete transaction without a form of checking or intervention process being built into the process.

JMT and Service Managers must monitor and record cases of staff not taking annual leave entitlement. This will reduce the risk of covering up continuous or persistent attempts at fraud, theft or corruption against the Council.

Managers, Team Leaders and officers with supervisory responsibility are responsible for appraising internal control systems, assisted by SWAP, and should involve and encourage staff to identify weaknesses and areas of risk.

After any investigation that identifies policy, system or operational weaknesses that allow the fraud, theft or corruption to take place, the South West Counter Fraud Partnership will complete a report highlighting the area of weakness and the appropriate Service Manager will be responsible for ensuring appropriate action and prioritising by risk.

Members

Members are required to operate within the [Constitution](#). This includes the Members' Code of Conduct, declaration and registration of interests.

The Standards Committee have responsibility for maintaining high standards of conduct by elected Members of this Council.

Working with other agencies

Formalised arrangements are in place to encourage the exchange of information between us and other agencies on national and local fraud, theft and corruption activity relating to local authorities. These include:

- Southwest One
- The Police
- Department for Work and Pensions
- Her Majesty's Revenues and Customs
- Other local authorities

Detection and Investigation

The array of preventative systems, particularly internal control systems in the Council, has been designed to provide indicators of any fraudulent activity. Although generally sufficient to deter fraud, it is often the alertness of staff, councillors and the public to indicators of fraud, theft or corruption, that enables detection to occur.

The Council takes ultimate responsibility for the protection of its public purse but in turn it is the responsibility of Joint Management Team and Service Managers to protect their service area from losses and prevent and detect fraud, theft and corruption.

The South West Audit Partnership (SWAP) and External Audit will liaise closely and implement a cyclical programme of audits which will include tests for fraud and corruption. Clear and regularly reviewed operating procedures should be in place to ensure that loss is minimal and there is a definitive process to refer discrepancies for investigation and monitoring.

Depending on the nature and anticipated extent of the allegations, the South West Counter Fraud Partnership (SWCFP) will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.

Our Disciplinary Procedures will be used where the outcome of an investigation indicates improper behaviour.

Taunton Deane Borough Council will normally wish the police to independently prosecute offenders where financial impropriety is discovered.

A detailed Anti-Fraud Response Procedure is shown at [Appendix 4](#). This includes flow charts showing the Reporting, Investigation and Action stages in algorithmic form.

Targeting Specific Groups

Under Human Rights legislation, it is not considered to be good practice to target or pursue unjustified reviews on specific groups of people. However, if a high-level of fraud is established within a particular area or among a particular group, it may be suitable to carry out a detailed review to ensure there are no further cases.

Intelligence Gathering

Taunton Deane Borough Council subscribes to the National Anti-Fraud Network (NAFN) that supplies several intelligence gathering services, including:

- Credit searches
- Company director information
- DVLA information
- Financial information

The National Anti-Fraud Network also acts as our PINS 9A authorised body for getting information under the Social Security (Fraud) Act 1997. NAFN ensures all information is legally obtained and approved by the proper officers.

Use of surveillance

Any surveillance we carry out will comply with legislation contained in the Regulation of Investigatory Powers (RIPA) Act 2000. We will ensure we conduct all surveillance activities, including all authorisations, continuation and cancellations under Taunton Deane Borough Council's RIPA Policy and procedures. We will keep all forms under that policy for inspection by approved bodies, i.e. the Surveillance Commissioner.

Surveillance will be undertaken by trained officers where it is justified and under the statutory code of practice. Corporate Surveillance Procedures will always be adhered to.

All surveillance requests, agreements, cancellations and amendments must be recorded, signed and kept by the authorising officer where appropriate. All surveillance requests will be time-limited, and all amendments and renewals to authorised surveillance requests must be re-authorised by an authorising officer.

All records must be kept accurately and conveniently so they are readily available for inspection by the Office for the Commissioner for Surveillance.

A central record will be kept by the Monitoring Officer to the Council of all authorised surveillance.

Retention of Documents

Taunton Deane Borough Council will retain evidence and documentation for investigations in accordance with legislation, policy, best practice and internal procedures.

Deterrence

There are a number of ways to deter fraud, theft and corruption.

We will:

- publicise the fact that the Council is firmly set against fraud, theft and corruption
- act decisively and robustly when fraud, theft and corruption is suspected or proven take action to maximise recovery of losses to the Council
- publicise successful prosecutions and share learning across the Council
- have in place sound systems of internal control that are based on risk assessment and minimise the opportunity for fraud, theft and corruption.

Verification

We will carry out robust verification on all claims for Housing Benefit, Council Tax Support, Social Housing and Grants.

We believe it is important to discourage and prevent fraud and error from entering the system. To achieve this, we will impose rigorous procedures for verifying claims under the guidelines given in the Department for Work and Pension's Verification Framework.

We will obtain original documentation when assessing claims for benefits, discounts and grants.

We require photographic proof of identity when someone first applies for a benefit, a discount, a grant or housing.

All staff responsible for receiving and verifying documents are trained on the latest evidence requirements including identifying false documents. We use UV scanners to verify the validity of documents.

The scrutiny and verification of each claim and application will not interfere with our commitment to provide a modern, efficient and cost-effective service focused on meeting our customers' needs in a friendly, timely and accurate manner. We will ensure our services remain readily accessible to everyone in the community to maximise social inclusion, minimize barriers to work and help people to live in decent housing and suitable accommodation.

We have systems in place allowing the customer to seek help to complete claim forms and report changes of their circumstance to us.

Housing staff will retain a photograph of all tenants on file. These will be updated at intervals so they remain current.

All application forms will be written in plain language and will contain warnings and information so the customer is aware of the risks involved in misinforming us of their circumstances. Our forms contain all the information the customer needs to understand their rights and responsibilities.

Interventions

Inevitably there will be some changes not reported by customers and not identified through data matching. The Revenues and Benefits Service will use risk based data on claims as provided monthly by the DWP and local risk based criteria to review existing benefit claims. We will undertake specific checks on claims and request ad hoc data scans.

Fraud drives

Fraud drives will be undertaken to verify and proactively identify possible frauds. We will work with organisations such as Department of Work and Pensions and the Her Majesty's Revenues and Customs to undertake joint fraud drives which ensure that a robust approach and larger claim base is verified.

Data-Matching

Taunton Deane Borough Council's benefits data is matched against other data sources (internal and external) to identify inconsistencies that may suggest the existence of incorrectness on a Housing Benefit award or Council Tax reduction.

We take part in Data Matching exercises including:

- Housing Benefit Matching Service (HBMS);
- National Fraud Initiative (NFI);
- Local matches with large local employers or agencies;
- The Council's own databases including those holding information on Members and staff (we will consult with recognised trade unions before data matching on Members and employees);
- Access to the DWP database through the Customer Information System (CIS);

We adhere to the principles set out in the Data Protection Act

National fraud initiative

The National Fraud initiative (NFI) is an exercise to detect and prevent potential fraud by examining electronic data shared between public and private sector bodies.

The NFI matches data from 1,300 public sector and 77 private sector organisations, including audit bodies in Scotland, Wales and Northern Ireland, government departments and other agencies. It flags up inconsistencies in the information that indicate a fraud, an error or an overpayment may have taken place, signalling the need for review and potential investigation.

The National Fraud Initiative transferred to the Cabinet Office following the closure of the Audit Commission

The Council provides data from its computer systems that is matched with that of other councils and agencies to identify possible fraud. Details of matches are returned to the authority where further investigations are undertaken to identify and pursue cases of fraud and irregularity. This tool is effective in detecting areas of national and local fraud and identifying trends and areas of risk. These trends and areas of risk can be used to identify measure and prevent future fraud.

Document Review

This Policy will require regular review to ensure that elements are kept up to date. Minor technical, procedural or legislative amendments will be agreed between the Assistant Director - Resources and the relevant Portfolio Holder.

Appendix 1 - Definitions

Fraud

The Fraud Act 2006 introduced a defined offence of fraud which is broken into three sections

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

False representation

Fraud by false representation is defined by Section 2 of the Act. Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.

Failing to disclose information

Fraud by failing to disclose information is defined by Section 3 of the Act, and details that a fraud will have been committed if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

Abuse of position

Fraud by abuse of position is defined by Section 4 of the Act, and requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for him/her or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

The Fraud Act 2006 largely replaced the laws relating to obtaining property by deception, obtaining a pecuniary advantage and other offences that were created under the Theft Act 1978. Whilst the introduction of the Fraud Act 2006 has repealed much of the Theft Act 1978, it does not prevent the prosecution of other offences under the various other Acts, e.g. theft, counterfeiting and falsification of documents.

Other legislation can be used in the prosecution of offences against the Council such as the Social Security Administration Act. These offences are not listed here, but it should be noted that there are a number criminal offences other than those of the Fraud Act 2006 and civil proceedings may also be considered in some circumstances. These offences may stand alone or work in conjunction with other offences considered for fraudulent matters.

Theft

Theft is the misappropriation of cash or other tangible assets. A person is guilty of “theft” if he or she dishonestly takes property belonging to another, with the intention of permanently depriving the other of it. The criminal offences associated with theft are predominantly set out in the [Theft Act 1968](#) and the [Theft Act 1978](#).

Corruption

Corruption is the deliberate misuse of a position for direct or indirect personal gain. This includes offering, giving, receiving or accepting of an inducement or reward which would influence the actions taken by the Council, its members, officers, partners or contractors.

Corruption may also be deemed to include criminal acts and situations where any Member or officer intentionally makes a decision which gives any person an advantage or disadvantage where the decision is contrary to the policy/procedures governing the decision making process and is based on no sound reasoning. The latter part of this definition is intended to encompass all types of discrimination, both positive (where any person gains an unfair advantage) and negative (where any person is unfairly disadvantaged).

Bribery

Bribery is the offer or acceptance of reward to persuade someone to act dishonestly and/or in breach of the law. The Bribery Act 2010 came into force on 1 July 2011. British anti-bribery law was based previously on the Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906 and the Prevention of Corruption Act 1916. The introduction of the Bribery Act 2010, simplifies this dated legislation with provisions for 4 new offences:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The [Bribery Act 2010](#) makes it an offence to offer, promise or give a bribe (section 1). It also makes it an offence to request, agree to receive, or accept a bribe (section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation* to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation. *For the purposes of the Act, Taunton Deane Borough Council is considered to be a commercial organisation.

Examples

- Theft of council property or services
- Misuse of office or office equipment
- Falsifying time or mileage sheets
- Failure to declare an interest
- Fraudulent property letting
- False accountancy, including the destruction, concealment or falsification of any account or record, or giving misleading, false or deceptive information
- Evading liability for payment
- Working while on sick leave
- Selling Council equipment
- Fraudulent tendering process
- Obtaining property by false pretences
- Accepting any gift or consideration as an inducement for doing or refraining from doing anything in relation to Council business.

Appendix 2 - Responsibilities

Fraud, theft and corruption are an ever present threat to Taunton Deane Borough Council's resources and therefore must be a concern to all staff and members. Whilst the South West Counter Fraud Partnership (SWCFP) undertake activities in the prevention, detection and investigation of fraud, theft and corruption, everyone in the Council has a responsibility and role to help it. This document identifies how these responsibilities are implemented and monitored.

Elected Members

Members must comply with the Members Code of Conduct and any ancillary codes. Fraud Awareness Training is available to Members to give them a greater awareness of fraud policies, responsibilities and rules. This training will also cover corruption and bribery. Each Member of the council is responsible for the following:

- His/her own conduct
- Compliance with the Members Code of Conduct
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Department, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- Contributing towards the safeguarding of Corporate Standards, as detailed in the Members Code of Conduct
- Operating within the Council's [Constitution](#)

Joint Management Team and Service Managers

Joint Management Team and Service Managers are responsible for:

- Providing firm leadership and setting standards by their own behaviour
- Operating within the Council's [Constitution](#)
- Ensure compliance with corporate policy, procedures and internal control frameworks.
- Promoting awareness of the Anti-Fraud and Corruption Policy and associated documents and mechanisms
- Managing the risks of fraud, bribery and corruption at strategic and operational levels with effective anti-fraud and corruption controls with appropriate risk management and review of risk areas
- Ensuring conformance by the staff for whom they are responsible
- Ensuring sufficient resources to take appropriate legal action where necessary
- Embedding and supporting an anti-fraud, anti-theft and anti-corruption Culture
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Department, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)

Managers, Team Leaders and those with supervisory responsibility

All Managers, Team Leaders and those with supervisory responsibility are responsible for:

- Maintaining effective internal control systems and ensuring that the Council's resources are properly applied in the manner intended
- Ensuring compliance with corporate policy and procedures.
- Identifying the risks to which system and procedures are exposed and reviewing risk areas
- Developing and maintaining effective controls to prevent and detect fraud, theft and corruption
- Ensuring that internal controls and risk management provisions are followed to minimise fraud, theft and corruption
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- Fully co-operating with any investigation undertaken by or under the direction of the Joint Management Team, Service Manager, SWCFP, SWAP, External Audit and the Police
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Departments, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly.

Individual members of Staff

Each member of staff is responsible for the following:

- His or her own conduct and for contributing towards the safeguarding of corporate standards, including declaration of interest, private working, whistle-blowing
- Acting with propriety in the use of official resources and in the handling and use of corporate funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Departments, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly.

Contractors, Partners and Other Associated Bodies Responsibilities

Contractors, partners and others working with the Council are expected to maintain strong anti-fraud, anti-theft and anti-corruption principles and to have in place adequate anti-fraud, anti-theft and anti-corruption procedures and controls when they are working on behalf of or with the Council. This expectation is to be included in all contract terms and agreements.

South West Audit Partnership (SWAP)

The role of SWAP is to provide an independent appraisal and assurance of internal controls across and within the Council's financial and management systems. In conducting this role SWAP should consider the risk of fraud, theft and corruption when examining and evaluating the effectiveness of controls that may assist in deterring and preventing fraud, theft and corruption as well as identifying financial irregularity.

Other responsibilities of SWAP on the anti-fraud, anti-theft and anti-corruption culture of the organisation are listed below:

- Act as an independent resource to whom staff can report suspected frauds, corruption or bribery;
- Maintain expertise on counter-fraud, counter bribery and corruption measures for the Council;
- Give independent assurance on the effectiveness of the processes put in to manage the risk of fraud, theft and corruption;
- Provide or procure any specialist knowledge and skills to assist in fraud investigations, or leading investigations where appropriate and requested by the Section 151 Officer;

The Section 151 Officer should ensure the work of SWAP, External Audit and the South West Counter Fraud Partnership are complementary.

External Audit

The role of External Audit is not to detect fraud, theft and corruption. External Audits are carried out in accordance with the provisions of the Audit Commission Act 1998, the Accounts and Audit Regulations and the Code of Audit Practice.

Independent External Audit is an essential safeguard in the stewardship of public money. The role is delivered through the carrying out of planned, specific reviews that are designed to tests (amongst other things) the adequacy of the Council's financial systems and its arrangements for preventing fraud, corruption, bribery and irregularity and as such it has a duty to report any potential incidents of fraud that it comes across in the normal course of its work.

Collective Responsibilities

The Council supports the 7 principles of Public Life set by the Committee on Standards in Public Life. The Council expects staff to develop their working behaviour around these principles.

The Seven Principles of Public Life are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Appendix 3 - Action Plan

References: A = TDBC Anti-Fraud action

B = TEICCAF checklist action

Ref	Action	Status	Comments	Officer	Target date
General					
B1	Do we have a zero-tolerance policy towards fraud?	Complete	The policy makes it clear the Council has a zero tolerance to fraud and corruption.	n/a	Complete
B2	Do our fraud and corruption detection results demonstrate that commitment to zero tolerance?			South West Counter Fraud Partnership Manager	
B3	Do we have a corporate fraud team?	Complete	The Council has approved the creation of a South West Counter Fraud Partnership with dedicated counter-fraud staff. The SWAP audit plan is risk -based covering all Council activities and includes emerging risks. Fraud risk areas are subject to a rolling review programme.	Assistant Director - Resources	Complete
A1	Clear, Practical and Accessible Policies and Procedures to be in place.	In progress	Work on-going to review and update relevant policies to take account of anti-fraud legislation	Assistant Director - Resources	March 2016

Ref	Action	Status	Comments	Officer	Target date
General					
A2	Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	Complete	SWAP produces reports regularly to the Corporate Governance Committee. The SWAP Plan shows planned work. Annual Reports from Audit as well as the South West Counter Fraud Partnership show outcomes.	Director of Quality for SWAP South West Counter Fraud Partnership Manager	Complete
B4	Does a Councillor have portfolio holder responsibility for fighting fraud across the Council?	In progress	The Assistant Director – Resources, will liaise with the Portfolio Holder for Resources to ensure clear responsibility is allocated	Assistant Director - Resources	March 2016
A3	Have we assessed our management of counter-fraud work against good practice?	Complete	Two checklists have been used to show compliance with best practice: <ul style="list-style-type: none"> • CIPFA Better Governance Forum; “Protecting the Public Purse” • TEICCAF checklist 	South West Counter Fraud Partnership Manager	Complete
B5	Have we assessed our Council against the TEICCAF fraud detection benchmark analysis?	To be confirmed	The fraud detection benchmark analysis tool will be completed once it is released and will be used to identify any trends/ fraud types	Assistant Director - Resources	To be confirmed
B6	Does that benchmark analysis of fraud detection identify any fraud types which we should give greater attention to?	To be confirmed	The fraud detection benchmark analysis tool will be completed once it is released and will be used to identify any trends/ fraud types	Assistant Director - Resources	To be confirmed

Ref	Action	Status	Comments	Officer	Target date
General					
B7	Are we confident we have sufficient counter-fraud capacity and capability to detect and prevent non-benefit (corporate) fraud once SFIS has been fully implemented?	Complete	South West Counter Fraud Partnership established from July 2015	Assistant Director - Resources	Complete
A4	Do we raise awareness of fraud risks with: <ul style="list-style-type: none"> • New staff (including agency staff); • Existing staff • Elected members; and • Our contractors? 	On-going	The following actions are or will be taken to maximise awareness and encourage commitment: <ul style="list-style-type: none"> • Training for elected Members • Reports produced / presented to Members • Managers' briefings issued • Publicity on specific cases as appropriate. 	South West Counter Fraud Partnership Manager	Throughout 2016-17
A5	Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters	Complete	South West Counter Fraud Partnership share knowledge and data (where allowed) through the South West regional fraud group and the DWP. The Council participates in the NFI.	South West Counter Fraud Partnership Manager	On-going
A6	Do we maximise the benefit of our participation in the National Fraud Initiative and receive reports on our outcomes?	On-going	SWAP regularly monitor the on-line progress reports to ensure all relevant matches are investigated.	Director of Quality for SWAP AD - Resources	On-going
A7	Newsletter highlighting the outcome of fraud work.	In progress	A Newsletter will be produced for distribution to all TDBC staff and Members	South West Counter Fraud Partnership Manager	31 March 2016

Ref	Action	Status	Comments	Officer	Target date
General					
A8	Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	Complete	Any weaknesses are shown in the audit reports and all areas where significant inadequate controls exist are summarised in the Audit Annual Report. Reports are issued promptly containing agreed Action Plans with timescales	Director of Operations Director of Quality for SWAP	Complete
B8	Do we have appropriate and proportionate defences against the emerging fraud risks, in particular: <ul style="list-style-type: none"> • Right to Buy fraud • No recourse to Public Funds fraud 				
A9	Do we have effective arrangements for: <ul style="list-style-type: none"> • Reporting fraud; • Recording fraud; and • Whistle-blowing? • Do we have effective whistle blowing arrangements? 	Complete	The Whistle-blowing policy has been reviewed by the Monitoring Officer and is shown on the Council's Intranet	Monitoring Officer	
A10	Managers' briefings following fraud investigations to highlight risks and control measures	On-going	Briefings will be issued to highlight risks and control measures	Director of Quality for SWAP	On-going
A11	Anti-fraud training for Members and Officers	In progress	South West Counter Fraud Partnership will deliver training during 2016-17	South West Counter Fraud Partnership Manager	December 2016

Ref	Action	Status	Comments	Officer	Target date
Council Tax and Business Rates					
A18	Are we effectively controlling the discounts and allowances we give to council tax payers?	Complete	<p>The Revenues and Benefits Service carries out reviews of discounts and allowances in the following areas:</p> <ul style="list-style-type: none"> • Council Tax Support • Single Person Discount • Disabled Banding • Business Rate Relief <p>In addition, regular checks are undertaken to ensure continued entitlement to exemptions</p>	Revenues and Benefits Manager	Continuous
Housing Tenancy					
A13	Do we take effective action to ensure that social housing is allocated only to those who are eligible?	On-going	<p>The Council reviews the relevant NFI matches in this area. Cases are investigated by South West Counter Fraud Partnership.</p>	<p>Director of Quality for SWAP SWCFP Investigation Manager</p>	On-going
A14	Do we ensure that social housing is occupied by those who are allocated properties?				
Procurement					
A15	Are we satisfied our procurement controls are working as intended?	To be confirmed	To be confirmed	Assistant Director - Resources	To be confirmed
A16	Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels and compared them with the best practice?	To be confirmed	To be confirmed	Assistant Director - Resources	To be confirmed

Recruitment

A17	<p>Are we satisfied our recruitment procedures achieve the following:</p> <ul style="list-style-type: none"> • Do they prevent the employment of people working under false identities; • Do they confirm employment references effectively; • Do they ensure applicants are eligible to work in the UK; and • Do they ensure agencies supplying us with staff undertake the checks that we require? 	Complete	<p>Robust procedures are now in place and have recently been audited.</p> <p>The NFI matches concerning eligibility to work in the UK are always reviewed.</p>	Human Resources Manager	Complete
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Appendix 4 - Anti-Fraud Response Procedure

Introduction

This Procedure defines responsibilities for action and reporting lines in the event of a suspected fraud, corruption, bribery or related irregularity. Using the Procedure will assist the Council in preventing loss of public money; recovering losses and establishing evidence necessary for criminal, civil or disciplinary action.

The Procedure:

- details the processes for responding to any incidents of suspected fraud, theft or corruption
- sets out how suspicions should be raised
- explains how investigations will be conducted and concluded
- explains how reviews will be undertaken to prevent a recurrence

Aims

The Anti-Fraud Response Procedure supports the aims, objectives and key priorities of the Anti-Fraud and Corruption Policy and Strategy. The Procedure aims to ensure appropriate and effective action can be taken to:

- Ensure awareness of correct processes for reporting fraud, bribery and corruption
- Ensure there is a clear understanding of who will authorise and lead an investigation and to ensure the South West Counter Fraud Partnership, relevant Service Managers and officers in Taunton Deane Borough Council are appropriately involved
- Ensure security of evidence and containment of information or knowledge of any investigation into the matter reported
- Ensure there is substance and evidence to support allegations before disciplinary and/or criminal action is taken
- Ensure prevention of further losses and maximise recovery of losses
- Minimise adverse publicity or reputational damage to the Council but utilise publicity as a deterrent against future frauds

Reporting a Suspected Fraud or Incident of Bribery/Corruption

Staff should first view the definition of fraud, theft and corruption ([Appendix 2](#)) and the [Whistle-blowing Policy](#) that are clearly linked with this Anti-Fraud Response Procedure.

Where it is the wish for the individual to report suspicions in an anonymous manner then this can be done. However, the Council will always encourage individuals to come forward and be identified as this is an indication that it is not merely someone with a “grudge” making false accusations and also allows the suspicion to be acted upon with greater effectiveness and efficiency.

What to do if you suspect fraud, theft or corruption may be occurring

Do

- Make an immediate note of your concerns.
- Convey your concerns to someone with the appropriate authority and experience.
- Report your concerns as soon as possible.

Don't

- Approach the concerned individual.
- Be afraid to raise your concerns.
- Try to investigate yourself.

Allegations of fraud or theft by a perpetrator outside the Council can be reported to the South West Counter Fraud Partnership. A referral can be made using the online reporting function, which is located both on the internal intranet and the Council's website. Referrals can also be made through to the South West Counter Fraud Partnership by internal mail, email, in person or over the phone.

Investigations by the South West Counter Fraud Partnership

All referrals passed to the South West Counter Fraud Partnership are looked at within 5 days of receiving the allegation. On receipt of the referral, the team will sift the referral to determine the value and priority level of the information received.

Following the sift process some cases may be rejected due to lack of information or lack of a clear allegation on which to base an investigation. Preliminary checks are done on all cases after they have been sifted. These checks ascertain facts and sometimes further information will be required that will be obtained through appropriate legal methods. Preliminary checks may determine there is no case to answer.

Any allegations determined as malicious may be dealt with as a disciplinary matter. Where it initially appears an allegation is a sensitive case, the case is referred to the Manager for the South West Counter Fraud Partnership or the Council's Monitoring Officer.

The South West Counter Fraud Partnership will discuss cases and allocate them for investigation on a weekly basis. The allocation is made by collective decision to avoid conflicts of interest and/or prejudice. Where a case is inappropriate for team allocation, cases will be investigated by a nominated Investigation Officer or SWAP Auditors who will feed back their findings to the Council's Monitoring Officer.

Other cases may need to be forwarded on to other enforcement bodies such as Police, Department for Work and Pensions or Immigration. This decision will usually be made by the individual investigator and a referral will be made to the relevant authority. In the case of a direct referral to the Police, the decision will be made by the Section 151 Officer who may wish to consult with the Council's Monitoring Officer.

The investigation will utilise various investigation techniques and intelligence sources available to the South West Counter Fraud Partnership. This could include intelligence gathering, surveillance, interviewing witnesses and interviews under caution. The investigation will follow the various legislative requirements, codes of practice and authorisations available to accredited Investigation officers.

Investigating suspected employee fraud, theft or bribery

If fraud is suspected it is critical any investigation is conducted in a professional manner aimed at ensuring that the current and future interests of both the Council and the suspected individual(s) are protected. The latter is equally important as a suspicion should not be seen as a guilt to be proved.

It is also crucial that the notifying employee does not feel threatened. The Council undertakes to protect the identity of such employees and not to release the source of notification at any time during the investigation.

For each notified suspicion the relevant Service Manager and the Section 151 Officer will appoint an “investigating officer” to be in charge of the investigation on a day-to-day basis.

The Investigating Officer, the Section 151 Officer, Monitoring Officer and the appropriate Service Manager must, in consultation with a Human Resources Officer:

- initially assess if there is a need for any employee to be suspended in accordance with the Council’s Disciplinary Procedure
- identify a course of action (what, who, when, how, where)
- identify the reporting process (who by, to whom, when and how) to ensure the strict confidentiality is continuously maintained
- bring the matter to the attention of the Leader of Council when fraud is evident and, if appropriate, to the Corporate Governance Committee (normally the duty of the Section 151 Officer)

The Investigating Officer will:-

- open a file to record chronologically -
 - Telephone conversations
 - Face-to-face discussions
 - Records/documents reviewed
 - Tests undertaken and results

The file should be indexed and all details recorded no matter how insignificant they initially may appear

- ensure the correct form of evidence is obtained and appropriately retained:-
 - Prime documents
 - Certified copies
 - Physical items
 - Secondary evidence (e.g. Discussions, etc.)
 - Circumstances
 - Hearsay
- Ensure interviews are conducted in the right manner In particular, that the requirements of the Police and Criminal Evidence Act are complied with when interviewing suspects. SWAP can provide advice to investigating officers if required.

Local authorities have a duty to report all frauds to their external auditors. This will be done by the Section 151 Officer at the earliest opportunity.

The experts at investigating fraud are the police, they will also advise on the likely outcome of any intended prosecution. Initial contact with the police should only be undertaken following discussion between the Section 151 Officer and the Investigating Officer.

If the police decide that formal investigation is necessary, all staff should co-operate fully with any subsequent requests or recommendations. All contact with the police following their initial involvement will usually be through the Investigating Officer.

Where the police decide to formally investigate this will not prejudice any internal disciplinary procedures; these should continue as normal. However, the internal investigation and the police's should be co-ordinated to make maximum use of resources and information.

As soon as the initial "detection" stage of the investigation has been completed an interim confidential report, that may be verbal, but is more likely to be in a written format, should be made by the Investigating Officer to the Section 151 Officer and any other officer decided upon at the preliminary stage.

The interim report should set out:-

- the findings to date
- the interim conclusions drawn from those findings; and
- should seek approval to continue the investigation if appropriate

If it is decided to continue the investigation, then future reporting arrangements and any changes to the planned action should be confirmed.

A final report will supercede all other reports and be the definitive document on which management (in a disciplinary situation) and possibly the police (in a criminal situation) will base their initial decisions.

The format of the Final Report will not always be the same as each case is unique, but will frequently set out:-

- how the investigation arose
- who the suspects are
- their position in the Authority and their responsibilities
- how the investigation was undertaken
- the facts and evidence which were identified
- summary of findings and recommendations, both regarding the fraud itself and any additional work required on the system weaknesses identified during the investigation.

Likely outcomes following any Audit Investigation, Police Investigation or Council investigation (through an Investigating Officer) under this procedure are:-

- criminal prosecution
- civil prosecution
- implementation of disciplinary proceedings
- exonerate person(s) concerned
- take no further action

All proceedings under this procedure shall remain confidential.

All reports must be substantiated by the strongest evidence and avoid contents that could be considered to be defamatory in the event of the report being made public.

Defamation in law is defined as “the publication (i.e. Communication) of a statement which tends to lower a person in the estimation of right-thinking members of society generally or which tends to make them shun or avoid that person”.

Prevention of Further Loss

During or following an investigation, prevention of further loss may require a staff member to be suspended or dismissed. Suspension or dismissal may also be required to avoid loss of evidence or the prevention of collaboration to cover up fraud, theft or corruption.

Suspension during an investigation is not a form of disciplinary action and does not indicate that the Council has prejudged the case. It may be necessary to plan the timing of a suspension to prevent the subject(s) from destroying or removing evidence.

The appropriate investigating officer will provide a report for the Human Resources Manager and the Section 151 Officer. This will provide the basis of the decision which will be made by the Section 151 Officer. The Council’s Monitoring Officer may be consulted but will not make the decision. The decision will be kept under review throughout the investigation.

Dealing with Employees under suspicion

Where an employee is under suspicion but has not been suspended, the decision not to suspend will be kept under review. The investigating officer will suggest a course of action but the decision will rest with the Section 151 Officer in consultation with the Human Resources Manager.

The Human Resources Service will support all staff affected by a fraud, theft or corruption investigation, whether directly or indirectly, directing individuals to sources of counselling and advice and applying relevant policies.

In cases of suspension and/or potential dismissal close liaison will be maintained between the Human Resources Manager and the South West Counter Fraud Partnership to ensure continued investigation of offences, as criminal proceedings will in most circumstances take precedence over disciplinary issues.

All legal requirements will be followed in any criminal investigation, and any disciplinary codes of practice will be followed for any disciplinary procedure as set out in the Council’s Disciplinary Policy. Strict confidentiality must be maintained.

Dealing with Members under suspicion

The Council’s Monitoring Officer must be advised of any suspicion of fraud, theft or corruption regarding a Member and the details of the process following an allegation can be found in The Councils Constitution.

Reporting outcomes

Outcomes of cases will be reported in the following ways:

Individual Feedback - Subject to the constraints of Data Protection legislation and the Council’s duty of confidentiality to employees and Members, an individual making an allegation will be given as much information as possible about the outcome of any investigation.

Prosecutions and sanctions - will be reported weekly to the Assistant Director (Resources) and the Section 151 Officer. All staff and Members will receive information on prosecutions and sanctions through a quarterly newsletter.

Savings/Recovery Action - will be measured and reported on quarterly to the Assistant Director (Resources), the Section 151 Officer.

Disciplinary Action - will be monitored and reported on by the Human Resources and Organisational Development Manager.

Financial Recovery - the recovery of loss against the Council could be a direct financial loss or could be the Council recovering earnings to which the person was not entitled or a claim for equipment stolen. These types of cases would be dealt with through civil hearings and may be undertaken in conjunction with disciplinary procedures or criminal investigations. Reporting outcomes will necessarily be ad-hoc but will be reported annually to the Section 151 Officer. The formal recovery of any money due to the Council will be undertaken through the Council's corporate debt recovery procedures.

Future Actions - the South West Counter Fraud Partnership will, where appropriate, produce a report for the relevant Service Manager to identify areas of weakness that allowed the fraud to take place and what future actions may prevent a recurrence.

Confidentiality

Wherever possible, anonymity will be maintained for the person who made the allegation. It should be noted that if the case goes to court a Judge can order the Council to reveal the source of the allegation. The Council can explain any mitigating reasons why the source should not be revealed but ultimately an order of the court has to be complied with.

Linkage between Criminal and Disciplinary proceedings

Criminal and Disciplinary processes can run side by side in an investigation and some information can be exchanged if appropriate legal processes are followed. In certain actions the criminal process may impact on the disciplinary process and vice versa. Therefore it is important cases are not dealt with as separate matters and that the criminal investigation takes precedence over the Disciplinary Process. This avoids compromising the criminal investigation that could lead to negative publicity for the Council.

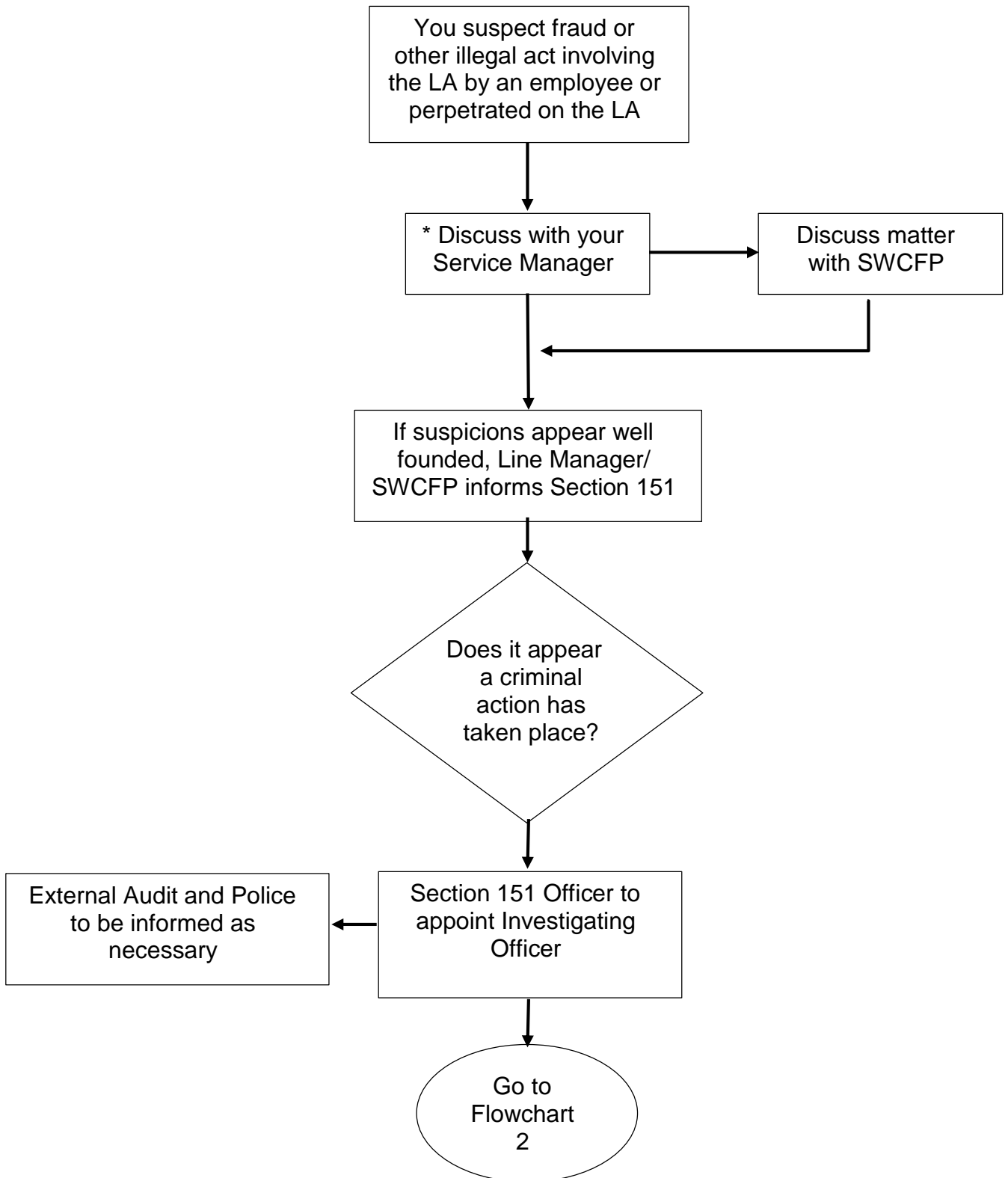
Links to Prosecution Sanction and Redress Policy

All cases will be measured against the criteria laid out in the [Prosecution, Sanctions and Redress Protocol \(Appendix 5\)](#). The decision on the appropriate sanction following an investigation will be made in line with that Policy.

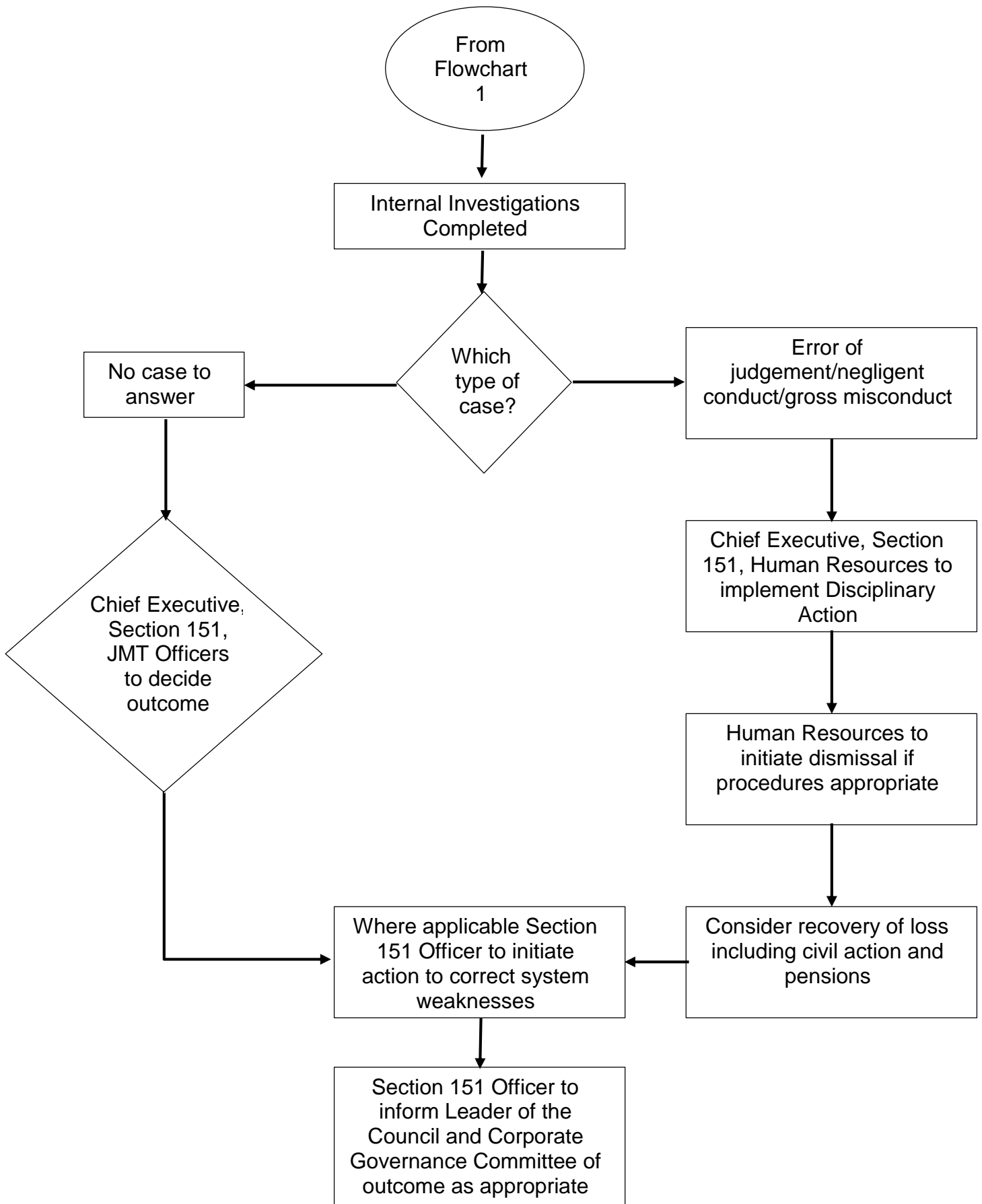
Media and Communications

Details of how cases may be publicised are detailed in the [Communication and Publicity Plan \(Appendix 6\)](#).

FRAUD - DETECTION AND INVESTIGATION STAGE



FRAUD - DECISIONS AND ACTIONS STAGE



Appendix 5 - Prosecution, Sanctions and Redress Protocol

Introduction

The Council's Anti-Fraud and Corruption Policy and Strategy requires that if fraud, theft or corruption is detected an appropriate sanction is taken and loss is minimised. This measure supports an anti-fraud, anti-theft and anti-corruption culture. This protocol ensures the decision to sanction/prosecute can be justified as fair, reasonable and consistent and that redress is always considered. Prosecution or another appropriate sanction will only be sought where it is in the public interest to do so. The purpose of a prosecution is to establish the guilt, or otherwise, of the accused. If a conviction is secured it is for the court to decide on an appropriate punishment that can act as a deterrent to others.

Levels of Authorisation

1. Cases for Caution, Administrative Penalty or Prosecution must be recommended by the South West Counter Fraud Manager and approved by the Service Manager.
2. Any decision to administer a Caution, Administrative Penalty or Prosecution related to a fraud against Council Tax Support, or fraud related to a Council Tax or Business Rate Discount or Exemption, must be approved by the Revenues and Benefits Service Manager.
3. The final decision to prosecute will be taken once the case papers have been examined by SHAPE Partnership Services (Legal). Authorisation to proceed will be confirmed by the Legal Services Manager. In the event that external legal resources are used the Legal Services Manager will issue the instructions and manage the relationship.
4. The decision to use SHAPE Legal Services or other legal representation must show consideration to expertise, capacity and cost. Consideration must also be given to the appropriateness of the prosecutor and to any joint working or partnership arrangements with other agencies linked to the investigation.
5. Larger or more complex cases or those involving staff or Councillors may be referred to the Police for investigation and prosecution but only after authorisation has been obtained from the Section 151 Officer in consultation with the Council's Monitoring Officer

General Policy

Staff found to be involved in fraudulent activity (or theft or corruption) may be subject to one or all of the following sanctions:

- Disciplinary - with dismissal usually sought where the offence is considered to constitute "gross misconduct" pursuant to the provisions of the Council's Disciplinary Policy
- Criminal - where the relevant law enforcement agency considers it to be in the public interest to pursue a prosecution
- Civil - recovery of monies or assets fraudulently or corruptly acquired
- Professional - disbarring whereby the Council will make a referral to the employee's professional regulatory body or bodies where appropriate

In all cases the information shown below will be considered when deciding whether to prosecute. For Council Tax Support Fraud the guidance outlined in that section must also be considered.

Issue	Points to consider
Quality of available evidence-the ‘Evidential Test’	<ul style="list-style-type: none"> • Is there sufficient evidence to satisfy a court and provide a realistic prospect of conviction? • Is all the evidence admissible? • Has all the evidence been obtained appropriately? • Has significant administrative failure compounded or allowed the offence?
Degree of criminality	<ul style="list-style-type: none"> • How was the fraud (or theft or corruption) perpetrated? • Was it opportunist? • How much planning went into the fraud (theft or corruption)? • How long did it continue?
Persistent offender	<ul style="list-style-type: none"> • Have they previously committed fraud (or been involved with theft or corruption)? • Have they received sanction previously?
Position of Trust	<ul style="list-style-type: none"> • Is the perpetrator a Council employee, representative or contractor? • Are they a Member of the Council?
Duration of the fraud	<ul style="list-style-type: none"> • How long did the fraud (or theft or corruption) continue?
Loss to Public Funds	<ul style="list-style-type: none"> • It would be unusual for a low value fraud to be prosecuted but it should not be ruled out. • Undertaking corruption may not involve loss to public funds but this should be checked and if none what was the gain? All of the other issues in this list need to be considered.
Voluntary disclosure	<ul style="list-style-type: none"> • Was the fraud, theft or corruption admitted before the investigation?
Widespread offence	<ul style="list-style-type: none"> • Is the offence part of a local trend? • The offence might not be particularly serious but may be particularly prevalent in a specific area.
Social/Medical factors	<ul style="list-style-type: none"> • Are there any mitigating circumstances? • Are there any mental or physical disabilities? • Is the offender fit to stand trial? • Is the offender particularly vulnerable giving rise to the reason for the action? • Social/medical factors should not automatically preclude prosecution but they must be considered.
Public Interest	<ul style="list-style-type: none"> • What gain is there for the Council and/or general public? • Would the costs incurred in proceedings be excessive compared to the loss involved? • Will the Council suffer adverse publicity or reputational damage from the proceedings?
Administration	<ul style="list-style-type: none"> • Was there failure in administration that helped fraud to succeed or was there a delay resulting in the case being out of time?

Evidential test

In making a decision to prosecute, Taunton Deane Borough Council must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence.

Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source. If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

Public interest

Taunton Deane Borough Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered:

- the seriousness of the offence
- a conviction is likely to result in a significant sentence
- the defendant was in a position of authority or trust
- there is evidence the offence was premeditated, e.g. the claim was false from the start
- there is evidence that the defendant instigated and organised the fraud
- there is previous incidence of fraud
- there are grounds for believing that the alleged offence is likely to be continued or repeated, based on any history of recurring conduct
- the alleged offence, irrespective of its seriousness, is widespread in the area it is or was committed.

Some common public interest factors against prosecution are as follows:

- the court is likely to impose a nominal penalty
- the impact of any loss of funds can be described as minor and was the result of a single incident, particularly if it was the result of misjudgement
- there have been long and avoidable delays between the offence taking place and the date of the trial, unless:
 - (i) the offence is serious
 - (ii) the delay is caused in part by the defendant
 - (iii) the offence has only recently come to light
 - (iv) the complexity of the offence has caused a long investigation
- the defendant is elderly or is, or was at the time of the offence suffering from significant mental or physical illness, this is balanced against the seriousness and complexity of the offence
- the defendant has put right the loss that was caused
- any voluntary disclosure
- social factors such as domestic abuse, or substance abuse

The various reasons listed above both for and against prosecution are not exhaustive. The factors that apply will depend on the facts in each individual case.

Review and Discontinuance

We must continuously review all prosecutions from starting proceedings. Reviews are important especially when new evidence is found, or as details of the defence case emerge.

Officers must be resolute when made aware of new evidence or information and should not hesitate to recommend discontinuance proceedings in appropriate cases.

Accepting Guilty Pleas

In certain instances defendants may wish to plead guilty to some but not all the charges. Officers should only accept a guilty plea if they believe the Court is able to pass a sentence that matches the seriousness of the offence. Officers must never accept a guilty plea merely because it is convenient.

Internal Fraud

The Section 151 Officer, the Human Resources Manager and the Manager for the South West Counter Fraud Partnership will liaise with the appropriate Service Manager if prosecution is to take place against a member of staff.

Following this liaison the Section 151 Officer will determine, in the individual circumstances of the case, whether it is appropriate to inform relevant Members of the Executive.

Occasionally, prosecution may be out of the Council's control, if an external body (e.g. Department for Work and Pensions or Police) is bringing the case.

Disciplinary proceedings may also be taken against members of staff and these are not subject to the criminal burden of proof (beyond reasonable doubt) but "the balance of probabilities".

Redress

Redress can be defined as the recovery or attempted recovery of assets lost or defrauded. This would include any type of financial recompense for the fraud.

Where possible, the Council will follow cases through to redress. Whilst the Council aims to progress to a sanction, it will also attempt to recover any loss. The recovery process is not part of the remit of the South West Counter Fraud Partnership.

Proceeds of Crime

Corporate Anti-Fraud Officers must consider in all suitable cases the ability for a court to obtain restraint and/or confiscation orders of identified assets.

A restraint order will prevent a person from dealing with specific assets. A confiscation order will enable the Council to recover losses from assets which are found to be derived from the proceeds of crime.

Civil Penalties

Under the Regulatory Enforcement and Sanctions Act 2008, civil sanctions may be imposed as appropriate. These will be imposed in accordance with the relevant service's specific procedures. Civil action may also be taken in relation to a person's criminal activity. Examples of civil action include:

- recovery of money owed by the defendant;
- claims for damages where property has been stolen;
- damages for losses incurred through the defendant's fraudulent activity;
- claims for damage to property;
- claims for non-payment of rent lawfully due; or
- claims for any loss incurred as a result of the defendant's criminal activity, such as clean up or repair.

Council Tax Support Fraud

Under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, where there is sufficient evidence that a person has committed Council Tax Support Fraud, the Council can impose a Simple Caution or an Administrative penalty as an alternative to prosecution.

Caution

A caution is a non-statutory disposal for offenders aged 18 years or over. It is administered as an alternative to prosecution. A caution can only be considered when there is sufficient evidence to justify instituting criminal proceedings and the offender has admitted the offence during an interview under caution (IUC).

If the offender is subsequently prosecuted for an offence relating to excess Council Tax Support the caution may be cited in Court.

Cautioning is based on the principle that no authority is under an obligation to prosecute when offences have been established.

Taunton Deane Borough Council's procedure for cautioning is based on guidelines issued by the Ministry of Justice for the use of Simple Cautions by police officers and Crown Prosecutors.

The caution is not maintained on police records and is not required to be declared to any third party by the recipient. The aims of the caution are:

- To offer a proportionate response to low level offending where the offender has admitted the offence;
- To deliver swift, simple and effective justice that carries a deterrent effect;
- To record an individual's criminal conduct for possible reference in future criminal proceedings relating to Council Tax Support offences;
- To reduce the likelihood of re-offending.

Circumstances where a caution might be appropriate are:

- the person is 18 or over
- the person has admitted to an offence in an interview under caution
- the person has not offended before
- criminal proceedings are not the first option
- penalty action is not appropriate

The Revenues & Benefits Manager, in consultation with the Manager for the South West Counter Fraud Partnership, may consider administering a caution as an alternative to prosecution providing all the following requirements have been met:

- the evidential criteria for prosecution are satisfied
- a caution is appropriate for the offence and to the person, having given consideration to the offender's previous record relating to similar offences
- the person has fully admitted the offence during an interview under caution (IUC).

The list of considerations and conditions to offer a caution is not exhaustive. The decision to offer a caution rests with the local authority dependant on the individual circumstances of a case.

If an offender refuses to accept a caution the case may be referred to Legal Services for consideration of prosecution.

Administrative Penalty

Regulation 11 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, allows Taunton Deane Borough Council to offer a person the opportunity to pay a financial penalty as an alternative to prosecution. The penalty is set down in the legislation and is 50% of the excess reduction subject to:

- A minimum of £100; and
- A maximum of £1000.

In cases where an offence has been committed but the fraud was discovered before any Council Tax Support was paid, the penalty is £100.

There is no requirement for the person to admit the offence before an Administrative Penalty can be offered.

Agreeing to accept the penalty will give offenders immunity from prosecution for identified offences relating to Council Tax support.

An offender who has agreed to pay the penalty is entitled to withdraw their agreement within 14 days of signing the original agreement. If an agreement is withdrawn, Taunton Deane Borough Council will be legally entitled to prosecute the offender.

Any case considered appropriate for a penalty must also be suitable for prosecution.

Factors considered in deciding whether to offer an administrative penalty as an alternative to prosecution are:

- the evidential criteria for prosecution are satisfied
- any known previous offences for fraud
- the prospect of timely payment
- The overall loss to public funds is less than £2,000. The loss may include any overpayment of Housing Benefit or other Social Security Benefits that have been affected by the commission of the offence.

A penalty is offered to an offender at a specially arranged interview and will be added to the appropriate person's Council Tax liability.

All conditions relating to the penalty will be stated at the point of notification.

If a person declines to accept an Administrative Penalty at the interview, the case will be submitted for prosecution. The Court will be informed that the customer has declined the offer of an Administrative Penalty.

If the customer accepts an Administrative Penalty, but during the 14 day 'cooling off' period withdraw their agreement, the case will be submitted for prosecution.

Prosecution

Decisions will be made based on the following criteria:

- a) Is there sufficient evidence to realistically expect a conviction?
- b) Is a prosecution in the public interest or would a simple caution be appropriate?
- c) The amount of money obtained. If the total amount of the excess Council Tax Support is more than £2,000 and the duration of offence is more than 6 months then prosecution action should normally be taken.
- d) Excess Council Tax Support of less than £2,000 may still be subject to legal proceedings that may include the use of simple cautions and or prosecution action.
- e) The person has previous convictions or cautions for similar offences.
- f) Whether there is evidence that the defendant is involved in organised fraud.
- g) Whether there are grounds for believing that the offence is likely to be continued or repeated.
- h) Whether the offence, although not serious in itself, is widespread in the area where it is committed.
- i) Whether the defendant has put right the loss or harm caused (suspects must NOT avoid prosecution simply because they can repay).
- j) Where the suspect is pregnant and confinement is either due within three months, or she is not in good health, it may be appropriate to defer consideration of a sanction until after the birth.
- k) It may not be in the public interest to prosecute suspects if they are elderly, or at the time that they committed the offence they were suffering from significant mental or physical ill health unless the offence is serious or there is a real possibility that the offence may be repeated. It will be incumbent on the suspect to provide medical evidence to support their physical and or mental condition.
- l) What would be the deterrence value of any publicity?

Prosecution of an offender will take place in a Magistrates or Crown Court.

When a fraud investigation has established an offence relating to Council Tax Support, a report will be prepared showing the Investigating Officer's conclusions and recommendations. The Corporate Anti-Fraud Team Manager will make the final recommendation on appropriate enforcement action.

Taunton Deane Borough Council will administer the sanction it deems appropriate with respect to the individual circumstances of each case. The decision on whether to refer a case for prosecution lies with Revenues & Benefits Manager.

Council Tax Penalties (where irregularity is not considered fraudulent)

Taunton Deane Borough Council is legally entitled to obtain information to decide who is liable to pay Council Tax for a dwelling for a specified period. Residents, owners or managing agents possessing or controlling information to identify a person liable for Council Tax (including those jointly and severally liable), must provide the information within 21 days of the Council's written request.

In accordance with Schedule 3 of the Local Government Finance Act 1992, if a person fails to supply the information, or knowingly gives inaccurate information, then the Council can impose a penalty of £70).

The Council may also impose penalties where a person has failed to advise that they are not entitled to a discount or exemption. A penalty of £70 may be applied in any of the following circumstances:

- Failure to notify the Council within 21 days that a Single Person Discount should no longer apply to the Council Tax charge;
- Failure to notify the Council within 21 days that an exemption on a dwelling should have ended;
- Failure to notify the Council within 21 days that any other discount applied is no longer applicable;
- Failure to notify the Council of a change of address within 21 days.

Penalties are payable directly to the authority that imposed them (the billing authority), and can be collected by adding the penalty to the person's Council Tax liability and detailing it on their Council Tax bill.

Where the Council possesses a liability order for failure to pay Council Tax, we have the right to ask the customer for details of their employment and other income. It is a criminal offence not to supply the information without reasonable excuse, or for a person to knowingly or recklessly supply false information. The matter can be referred back to the Magistrates' Court for a summary conviction and fine to be imposed. These fines would be collected by the Magistrates and paid to the Council.

In accordance with The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, the Council may impose a penalty of £70 where a person:

- a) negligently makes an incorrect statement, or supplies incorrect information or evidence and fails to take reasonable steps to correct the error that subsequently leads to more Council Tax Support than they are actually entitled to (Regulation 12);
or
- b) fails, without reasonable excuse, to notify the Council of a “relevant changes in their circumstances” within 21 days of that change occurring.

A “relevant change of circumstances”, means a change of circumstances that a person might reasonably be expected to know might affect their entitlement to, or the amount of, Council Tax Support.

Where we impose a penalty and the person fails again to supply the information, we can impose a further penalty of £280. A penalty of £280 may be imposed each time we repeat the request and the person does not fulfil their statutory obligations.

The Council may quash a penalty as it sees fit. We cannot impose a penalty for an incorrect liability caused by a member of staff having administered the account inaccurately.

A tax payer may appeal to the Valuation Tribunal for England if aggrieved by our decision to impose a penalty and they are dissatisfied with our internal review. Where the penalty is subject to an appeal or arbitration, no amount is payable in respect of the penalty while the appeal or arbitration is outstanding. The Valuation Tribunal will dismiss an appeal if it is not initiated within two months of the date of service of the penalty notice, unless they are satisfied the delay was caused by circumstances outside the appellant’s control.

Appendix 6 - Communication and Publicity Plan

Introduction

The Council's Anti-Fraud and Corruption Policy and Strategy requires the Council to have a Communications and Publicity Plan to encourage zero tolerance of fraud. The plan will also establish and enable communication requirements to promote and raise awareness of the Council's anti-fraud, anti-theft and anti-corruption activities.

The South West Counter Fraud Partnership is committed to ensuring they have a clear programme of work to publicise the:

- Hostility of the honest majority to fraud and corruption
- Effectiveness of preventative arrangements
- Sophistication of arrangements to detect fraud and corruption
- Professionalism of those investigating fraud and corruption, and their ability to uncover evidence
- Likelihood of proportionate sanctions being applied
- Likelihood of losses being recovered

Effective communication and publicity is essential to deter and prevent the organisation from falling victim to fraud. Through publicity, awareness and training the plan seeks to provide clear messages that the Council is serious about countering fraud and will demonstrate the impact of its work by highlighting successes.

Aims

To provide feedback to:

- Staff and Members, other Local Authorities, partners and stakeholders
- Taunton Deane Borough residents (to show that appropriate action is being taken by the Council).

To raise and increase awareness about:

- The South West Counter Fraud Partnership and the work done
- Fraud initiatives and events, including general fraud awareness training
- Types of fraud and prevalent and current trends of fraud.

To Publicise:

- Successful prosecutions in the media
- Fraud campaigns
- Preventative methods and encourage deterrence of staff and public.

Communicating with the Media

All communications with the media will be made through the Public Relations Officer.

The Public Relations Officer will receive advance warning from the South West Counter Fraud Partnership if there is a possibility of external interest in any area of fraud work, particularly any which may create adverse publicity or reputational damage. The South West Counter Fraud Partnership will promptly brief the Public Relations Officer on any contentious issues regarding any publication of cases and work with the Public Relations Officer to minimise any adverse publicity towards the Council.

Decision process for the publications of prosecutions

External Investigations - the decision to publicise will be made by the South West Counter Fraud Partnership Manager and authorised by the Assistant Director (Resources). Details publicised would have to be in the public domain, i.e. already read out in court.

Internal investigations - all internal cases of fraud have the potential for reputational damage, so it is vital to notify the Public Relations Officer from the outset and seek his or her advice on the considerations of any decision to publicise. The decision will be made by the appropriate Director and Service Manager in consultation with the South West Counter Fraud Partnership Manager and Human Resources Manager. All details publicised would have to be in the public domain.

Consultation - the decision on an internal investigation may require consultation with Legal Services, the relevant Portfolio Holder, the Leader or Chief Executive. The relevant Director will make the decision as to whom it is appropriate to consult. No decisions are to be publicised without consultation with the Public Relations Officer.

Anonymity - in all publicity, the identity of Investigation Officers will remain anonymous unless in circumstances agreed by the Public Relations Officer and South West Counter Fraud Partnership Manager.

Communicating with Partners and Stakeholders

A bi-annual information Newsletter will be sent to current partners and stakeholders. Details of cases mentioned in the Newsletter will be fully anonymous unless details are in the public domain. Partners and Stakeholders will also be kept informed by e-mail of actions undertaken, progress on actions and outcomes to encourage further joint working on investigations.

The South West Counter Fraud Partnership will encourage partners to put up anti-fraud posters for on-going and proactive fraud campaigns. Fraud awareness training or information for staff, partners or stakeholders will also be provided to ensure staff and others are made aware of outcomes. This will facilitate increasing vigilance and encourage fraud referrals thus increasing partner involvement with the South West Counter Fraud Partnership.

Communicating with Internal staff

Staff will be kept up to date on anti-fraud through the intranet with the use of a dedicated intranet page. This will be regularly updated. Intranet pages will also be used for consultation e.g. a staff survey.

The South West Counter Fraud Partnership will advise staff and managers of fraud awareness training within the Council and will provide guidance on corporate fraud and corruption issues such as:

- fraud referrals
- current prevalent frauds
- publicising internal and external action taken against fraud
- the need for vigilance about fraud against the Council
- anti-fraud workshops/training

This will in turn promote better governance and best practice to reinforce the anti-fraud culture.

Communicating with Elected Members

The South West Counter Fraud Partnership will provide briefings and reports to the Corporate Governance Committee. Fraud awareness training will be provided for Members and within the Council, and the South West Counter Fraud Partnership will provide guidance on fraud and corruption issues.

Communicating with the public.

Where possible and appropriate, prosecutions and other fraud related activities will be publicised. In addition to media publicity, the South West Counter Fraud Partnership will have a dedicated Corporate Fraud Webpage that will be up dated with information on successes and outcomes and savings made by the Team.

Anti-fraud posters will be utilised to promote anti-fraud campaigns. These fraud posters will be put in public places such as Council owned buildings with public access. Partner organisations will be asked to participate in anti-fraud campaigns to assist in promoting the anti-fraud message.

Appendix 7 - Tenancy Fraud

Introduction

Taunton Deane Borough Council allocates social housing through choice based lettings. The Council will allocate social housing to those in housing need and to those who will use it as their only or principal home (as outlined in the Housing Act 1996). The Council's Allocations Policy is the framework document outlining the Council's criteria for the allocation of social housing.

Part VII of the Housing Act 1996 also places a duty on local housing authorities to provide advice and assistance to homeless people and people threatened with homelessness.

The Council owns and manages its own stock of approximately 6,000 properties, including supported units for older people.

Social housing is a valuable national asset, which provides security and stability to millions of people in housing need in England. However, the Audit Commission estimates that there are as many as 50,000 social homes across the country that may be occupied fraudulently. This equates to more than 1 in 100 housing association and council homes.

The National Fraud Authority, in association with the Chartered Institute of Housing, published The [Guide to Tackling Tenancy Fraud](#) in 2011. The Guide identified the following "key learnings and recommendations" for social landlords:

- All landlords should ascertain the level of unlawful occupation in their stock.
- More local authorities should provide a fraud investigatory service to housing associations in return for nomination rights to homes recovered
- Registered providers of social housing should have robust internal audit processes in place to detect possible fraudulent or corrupt actions by staff.
- Local authorities should consider photographing tenants at allocation and existing tenants at tenancy audits.
- Local authorities should consider the balance of the resources they allocate to housing benefit and housing tenancy fraud.
- A consistent best practice tenancy audit checklist and training needs to be devised to show how these can be carried out effectively.
- The Government should consider further incentivising local authorities and registered providers to investigate and recover unlawfully sublet properties.
- Registered providers and councils should commit to joint working and there should be political and managerial commitment to the recovery of unlawfully sub-let properties.
- Housing tenancy fraud is not restricted to London and work needs to be done to promote investigations outside London

Those who commit tenancy fraud deprive people who are genuinely in need from accessing social housing. This is unacceptable and so the Council, as a landlord, has a duty to make the best use of public resources by ensuring that existing stock is properly managed and that tenancy fraud is prevented or appropriately dealt with when detected.

Tenancy fraud has a damaging impact upon the Council and its residents because:

- It can prevent people in genuine need accessing Council housing.
- The Council is not able to make best use of its housing stock.
- Some residents could spend longer in unsatisfactory, overcrowded or temporary housing if they are prevented from accessing housing because it is being blocked due to tenancy fraud.
- There is a greater risk of the property being used for illegal purposes.
- There is a greater risk of damage to the property as a result of modifications made to it to make it suitable for subletting to a number of tenants.
- The Council may have more difficulty gaining access to the property to carry out essential maintenance work, putting at risk the health and safety of the property and the occupiers within it.
- Unauthorised sub-tenants, unaware of their status, could be vulnerable to being charged increased rents or at risk of eviction and homelessness should the unlawful activity be detected.

This policy applies to all Taunton Deane Borough Council tenancy lets, including lets made to new tenants, transfers and mutual exchanges.

What is tenancy fraud?

This policy defines 'fraud' according to the Audit Commission's interpretation as:

"any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss".

- Tenancy fraud can present itself in various forms and at any stage during the tenancy life cycle. It can include:
- Fraudulently obtaining a tenancy (e.g. through misrepresentation of identity or circumstances).
- Non-occupation by the tenant as their principal home.
- Unlawful subletting (e.g. subletting the whole property to a single household or multiple sublets within one property).
- Wrongly claimed succession.
- Unauthorised assignments.
- "Key selling" (where the tenant leaves the property and passes on the keys in return for a one-off lump sum payment or favour).
- Not notifying the landlord when the tenant moves out or passes away.

Legislative context

Prevention of Social Housing Fraud Act 2013

This Act began as a Private Member's Bill which was presented on 20 June 2012. The Bill attracted cross party support and Government backing - it completed its parliamentary stages and received Royal Assent on 31 January 2013.

The Act extends to England and Wales and was brought fully into force in England on 15 October 2013 (The Prevention of Social Housing Fraud Act 2013 (Commencement) (England) Order 2013 SI 2013/2622. The Act:

- creates new criminal offences of unlawful subletting by assured and secure tenants in social housing;
- gives local authorities powers to prosecute in cases of unlawful subletting;
- enables the courts to order the recovery of any profit made from unlawful subletting from tenants; and
- provides that assured tenants who unlawfully sublet the whole of their dwelling cannot subsequently regain their security of tenure.

Only a Local Authority can take action for illegal subletting in the Courts. The authority can use powers granted in the Prevention of Social Housing Fraud Act 2013 to gain an "unlawful profits order" from the court. This means a landlord can recover any profit made from sub-letting homes from tenants by proving the profits exist. We would do not have to show any loss.

Landlords could previously claim back the profits under the common law principle of unjust enrichment, but this put a higher burden of proof on the landlord.

Making false statements to obtain Council housing

It is a criminal offence to knowingly or recklessly make a statement which is false in a material particular or to knowingly withhold information when applying to join the local authority waiting list or when applying as a homeless person.

A strict time limit of six months applies from the date of the commission of the offence or from when the matter of the complaint arose. A prosecution cannot be pursued once the time limit has expired.

Eviction

For secure and flexible tenancies, the court may order possession if it considers it "reasonable" and is satisfied that the tenancy was obtained through deliberate falsification.

For introductory tenancies, the Council does not have to prove "reasonableness" and can obtain possession as long as the court is satisfied that the procedures relating to the service of the notice of proceedings for possession and any review of the decision to serve the notice have been correctly followed. However, there may be occasions where the Council would need to establish that eviction is a proportionate step to take pursuant to the Human Rights Act before the Court will make an Order for Possession.

Policy Objectives

The Tenancy Fraud policy includes the following nine objectives:

1. Housing applicants and their household members will be asked to supply proof of their current address at the application for housing stage.
2. Proof of identity will be requested to be brought along to the property viewing.
3. Proof of identity will be requested to be brought along to the tenancy sign up appointment.
4. A full-face photograph of new tenants will be requested at the tenancy sign up appointment.
5. Information about the rights and responsibilities around occupation will be provided to every new Council tenant at the sign up appointment.
6. New tenant follow up visits will be carried out to check all correct persons have taken up occupancy.
7. There will be a variety of ways that the public can report cases of suspected tenancy fraud.
8. Regular awareness raising campaigns will be carried out about the impact of tenancy fraud with information on how the public can report suspected incidents.
9. During the course of the tenancy there will be sound mechanisms in place to detect and identify tenancy misuse.

In meeting these objectives, Taunton Deane Borough Council undertakes to take the action detailed below.

Application for Housing Stage

Policy Objective 1: Housing applicants and their household members will be asked to supply proof of their current address at the application for housing stage.

- The Council will take action to verify information supplied by the housing applicant. This may involve cross-checking the supplied details with both internal and external data sources to highlight any discrepancies or inconsistencies, with investigative action being taken upon any discrepancies found.
- The proof of residency can include any of the suggested documentation listed in the [Evidence for Circumstances and Identity](#) section.
- For existing tenants wishing to transfer or mutually exchange, this information will also be requested as part of the application.
- Housing applications are reviewed once a year on the date of the anniversary of the initial application.

Property Viewings

Policy Objective 2: Proof of identity will be requested to be brought along to the property viewing.

- The Council will take action to verify information supplied by the housing applicant. This may involve cross-checking the supplied details with both internal and external data sources to highlight any discrepancies or inconsistencies, with investigative action being taken upon any discrepancies found.
- Getting evidence to validate identity can prevent tenancies from being obtained through deception.
- When a property is ready to be let the successful housing applicant(s) will be asked to supply two forms of identification at the property viewing.
- The [Evidence for Circumstances and Identity](#) section details the types of identification that can be accepted. Should it be a joint tenancy, proof of identity will be requested for each joint applicant.

Tenancy Sign up

Policy Objective 3: Proof of identity will be requested to be brought along to the tenancy sign up appointment.

- When the applicant(s) are asked to collect the keys and sign the tenancy agreement they will be asked to supply identification once again (as outlined in the [Evidence for Circumstances and Identity](#) section).

Policy Objective 4: A full-face photograph of new tenants will be requested at the tenancy sign up appointment.

- Having a photograph of the tenant(s) on file significantly reduces the opportunity for identity impersonation and unlawful subletting as they can be used to compliment identity checks and support the investigation.
- The applicant(s) will be asked to bring a passport size photograph to the sign up appointment.
- If the applicant is not able to supply a passport photograph (e.g. due to cost), they will be asked to consent to having a digital photograph taken at the appointment.
- The reasons for requesting a photograph should be clearly explained and the applicant reassured that the Council complies with all data protection requirements regarding the use of personal information.
- All such photographs taken will be electronically stored on the applicant(s) tenancy file. The tenant will be asked to sign a consent form which states that they agree to the storing of their photograph on file.

Policy Objective 5: Information about the rights and responsibilities of the tenancy will be provided to every new Council tenant at the tenancy sign up appointment.

- The sign up appointment is also where new tenants are provided with information about how to conduct their tenancy in an appropriate manner and the consequences if there is a breach.
- All new tenants will be provided with a handbook at the sign up stage, which includes information about the tenancy agreement and the consequences if this agreement is broken.

New Tenant Follow Up Visit

Policy Objective 6: New tenant follow up visits will be carried out to check all correct persons have taken up occupancy.

- Settling in visits carried out shortly after signing the tenancy agreement are useful for the following reasons:
 - To confirm that occupancy has been taken up.
 - To validate that the residents living in the property are the ones on the tenancy agreement.
 - To provide the new tenant(s) with advice and assistance on any property or tenancy related issue.
- New tenant visits will be carried out 4 to 6 weeks after the tenancy start date. The visits will check that the tenant has moved into the property as his/her main residence and validate the identity of the tenant(s) through checking that the photograph/s on file match the tenant(s) in occupation.

Reports from the Public

Policy Objective 7: There will be a variety of ways that the public can report cases of suspected tenancy fraud.

- Local residents are in a good position to notice changes in activities within their communities, which may lead to suspicions of tenancy fraud. This is because local residents develop day-to-day relationships with their neighbours so they are well placed to notice if new neighbours arrive or the previous resident moves away.
- Public reports of suspected tenancy fraud are a very important source of intelligence for the Council. The Council will take all reports seriously, whether anonymous or not, and act upon them promptly. Requests for anonymity will be respected.
- The public will be able to report suspected cases of tenancy fraud:
 - By telephoning the Fraud Hotline number where callers can speak to a trained investigator
 - In person at the Deane House
 - Online via a web based reporting form at www.tauntondeane.gov.uk
 - By email at [confidential @southwestaudit.co.uk](mailto:confidential@southwestaudit.co.uk)

Publicity

Policy Objective 8: Regular awareness raising campaigns will be carried out about the impact of tenancy fraud with information on how the public can report suspected incidents.

- It is very important that reporting mechanisms are well publicised and accessible to all members of the community. The identity of those reporting suspected incidents of tenancy fraud will be protected if requested.
- Raising awareness amongst residents about the impact of tenancy fraud and that the Council is serious about eliminating it will encourage the reporting of suspicious incidents.
- Reporting tenancy fraud will be advertised as follows:
 - Through an article four times a year in the newsletter “Deane Dispatch”.
 - By placing posters on communal area notice boards.
 - By having a page dedicated to tenancy fraud on the housing section of the Council’s website.

Investigative and proactive measures

Policy Objective 9: During the course of the tenancy there will be sound mechanisms in place to detect and identify tenancy misuse.

- There are a variety of proactive measures that can be employed to actively detect tenancy fraud. These will be routinely in place so that the Council remains proactive about tackling it.
- No access for gas safety checks could indicate an abandoned property or that it is being unlawfully occupied. The Council will investigate all cases where no access is given.
- The Council will take part in the National Fraud Initiative, which is a data matching exercise run every two years. The Council will use the information obtained through this initiative to its full potential to help focus its fight against tenancy fraud.
- Tenancy fraud investigations will be carried out by trained investigators from the South West Counter Fraud Partnership (SWCFP) and where tenancy misuse is discovered then appropriate action will be taken against the perpetrators.
- Housing Services staff will receive periodic training on how to identify and take the appropriate action to deal with tenancy fraud.
- It is also important that the Council works in partnership with other local authorities, housing associations and landlords to provide a joint effort wherever possible in detecting and tackling tenancy fraud

Supporting Victims of Unlawful Subletting

Some unlawful sub-tenants may be unaware of their unlawful status and could be vulnerable to illegal eviction by the tenant at little or no notice when the situation has been uncovered. Unlawful sub-tenants are also vulnerable to eviction by the Council when it sets about recovering the property.

Victims of unlawful subletting will be offered advice from the Housing Options and Private Sector team in relation to their future housing options and rights.

Evidence for circumstances and identity

Housing Application Stage

Residency proof

One of the following documents can be accepted to validate current residence:

- Household/utility bill
- Council Tax bill
- Payslip with address
- Tenancy agreement
- Letter from Housing Benefit which confirms benefit to the current address
- Bank/Building Society statements
- Child benefit or Job Seeker's allowance book
- Pension book
- TV Licence
- Car registration documents
- Correspondence from Government department such as DWP, NHS or Borders and Immigration
- College/school letter
- Tenancy Agreement (if you signed within the last four weeks)
- Mobile telephone statement

Proof of residency can be a photocopy and will be checked against the application form before being placed on file.

Proof of children in residency

One of the following documents can be accepted to validate proof of children under the age of 16 or in full-time education:

- Child benefit letter, with address as on the application and dated within the last 4 weeks, or an old Child Benefit letter together with the applicant's most recent bank statement showing the credit and the current address.
- Child Tax Credit letter.

Children that do not live with the applicant on a full time basis cannot be considered as part of the housing application.

No fixed address

If the applicant has no fixed address they should provide a contact address and a letter from the person at that address giving their consent for correspondence to live there.

Former homeowners

If the applicant has previously owned a home either in the United Kingdom or abroad, they are to supply the completion statement for the sale of that property.

Foreign nationals

- EU/EEA nationals – Will need to supply proof of working in the UK, a copy of a recent wage slip. If a couple where the partner is not working, they are to provide proof of civic partnership or marriage.
- A2 nationals – Will need to supply the same details as EU/EEA nationals and if they arrived before 2006 a photocopy of their visa or if they arrived after 2006 a copy of their registration certificate.
- Rest of the world - Will need to supply a clear photocopy of their passport and visa.

Property Viewing and Tenancy Sign Up Stages

Proof of identity

The following documents can be accepted to validate identity:

- Full UK or EU driving licence (with photograph) or a ten year UK or EU passport (with photograph)
- Plus one of the following:
 - Home Office documents confirming status
 - A current, valid credit or debit card with supporting bank statement with address
 - Child benefit or Job seeker's allowance book showing names and address
 - Pension book showing name and address
 - For elderly residents, the travel pass issued for free public transport (with photograph)

If a passport or driving licence with a photograph is not available, it is possible to accept two of the following forms of identification:

- Home Office documents confirming status
- A current, valid credit or debit card with supporting bank statement with address
- Child benefit or Job seeker's allowance book showing names and address
- Pension book showing name and address
- For elderly residents, the travel pass issued for free public transport (with photograph)

If none or only one of the above is available, the following documents may be considered, but do not provide conclusive proof of identity:

- Student identity card – from reputable university or college
- Public sector work ID card
- National Insurance Number Card
- Medical card with national insurance number
- Birth/adoption/marriage certificate
- P46/P60
- Certificate of employment in HM Forces

The documentation must be the original copies. Photocopies will not be accepted.

Monitoring and Review

Having an understanding of the extent of tenancy fraud and possible trends locally will be useful for responding to any issues. The following information will be recorded and used to monitor the levels of tenancy fraud in Council stock:

- Numbers of tenancy frauds and types each year.
- The action taken and outcomes.

This information will be recorded by both the Housing Management team and the South West Counter Fraud Partnership (SWCFP) and reported in the annual report to tenants. It will also be used to evidence how the Council is performing in the tackling of tenancy fraud.

This Policy will be reviewed by the Housing Services Manager and the Corporate Anti-Fraud Team Manager on an annual basis.

Appendix 8 - Right to Buy Fraud

Introduction

The Right to Buy Discount represents a significant incentive for fraudulent activity.

To be eligible for the scheme the tenant (or joint tenant) must:

- Have rented in the public sector for at least 2 years if their tenancy started before 18 January 2005 or
- Have rented in the public sector for at least 5 years if their tenancy started after 18 January 2005

The tenant or joint tenant will not be eligible if:

- There is a Possession Order over the property
- We have applied to have their Right to Buy suspended because of tenancy breaches
- The tenant has been made bankrupt and this has not been discharged
- There are on-going bankruptcy proceedings
- They have made agreements with creditors to pay debts
- They have had their Secure Tenancy suspended by Court order
- Their Right to Buy has been suspended because they have been involved in Anti-Social Behaviour

Some companies have sought to entice Public Sector Tenants into agreements with them which may result in the tenants losing their homes. These are called “Deferred Resale Agreements” and involve the tenant in receiving money up front to buy their home thereby allowing the company receiving the property to charge rent to the tenant.

If a tenant makes one of these agreements they would be required to repay the Right to Buy Discount immediately.

Appendix 9 - Home Improvement Grant Fraud

Home Improvement Grants are available to home-owners and tenants to adapt their properties for people with disabilities and special needs.

This is a “means tested” grant and applicants are required to provide proof of ID and NINO as well as proof income and savings.

Applicants are required to provide original documents.

Applicants must provide original letters proving a “passporting benefit”, for example Housing Benefit/Income Support/Pension Guarantee Credit.

Check is made with Taunton Deane Borough Council’s Revenues and Benefits Service to confirm the applicant receives a qualifying benefit.

If the applicant works they must provide copies of 3 months wage slips if in regular work and 12 months if employment is not regular.

Copies of Bank statements are required and may also be used to confirm receipt of benefits.

If the applicant is an owner/occupier evidence of ownership is required and this may involve a check with the Land Registry if title deeds or proof of mortgage are not available.

Any false applications would result in the Grant having to be repaid.

Additionally a tenant is also required to obtain permission from their landlord to carry out the proposed alterations.

Taunton Deane Borough Council makes payment direct to the contractor for the work. Invoices are monitored and payments are authorised by 2 members of staff before payment.

Appendix 10 - Procurement (Invoice & Mandate) Fraud

Public Sector bodies can be vulnerable to invoicing and mandate fraud from both inside and outside their organisations.

Insider Invoice Fraud

This refers to cases where a Council employee can access the Council's assets and payments to commit fraud.

Payment to Dormant Suppliers:

Payment Control Measures:

- Monitor spending with individual suppliers
- Conduct regular reviews of suppliers to confirm they are still active
- Closure of accounts when suppliers cease to be active
- Separation of duties and authorisations
- Audit trail of Supplier detail changes (e.g. Bank Account details)
- Checks of actual spend against budgets
- Up-to-date list of Authorisers
- All payments approved by an authorised officer

Supplier Control Measures:

- Non-approved suppliers to be blocked centrally
- Limit number of officers able to create suppliers in the system
- Segregation of duties and authorisation applied to supplier creation process
- Independent verification of supplier details
- Audit trail of supplier creation

Changes of Supplier Address and Bank details

- Segregation of duties when changing payment details so that more than one member of staff is required to carry out this function
- Supporting evidence recorded and retained
- Audit trail of address/bank detail creation and changes
- Sample checking of address/bank detail changes

Undisclosed Relationship/Collusion with Suppliers

- Pro-Active testing of employee to vendor address matching
- Clearly defined policies and guidelines
- Audit Trail of purchasing decisions
- Segregation of Duties
- Promotion of Whistle Blowing Policy
- Covert and/or overt investigations

Supplier Invoicing Fraud:

Supplier submitting false or duplicate invoices

- Effective goods receipting and invoice matching process
- Checking process for duplicated invoice values from the same supplier
- Checking process for duplicated invoice/order numbers from same supplier

Supplier submitting invoices for work contracted but not delivered

- Effective goods receipting and invoice matching process
- Segregation of Duties (invoice handling separated from goods receipting)
- All goods and services must be receipted before payment of invoice
- Robust procedures to recover any overpayments
- Clear directions of use of Government Procurement cards

Altered amounts

- Effective goods receipting and invoice matching process
- Segregation of Duties

Invoices for goods/services not delivered

- Purchase orders should be processed and approved by and an authorised officer before ordering goods or services
- Supplier invoices should only be paid where there is a completed approval matched to the purchase order, or appropriate authorisation for non-purchase order payments
- Effective goods/services receipting and invoice matching process
- Segregation of Duties

Invoices for work not to contracted standard

- Quality checking process implemented
- Monitoring of budget spend and follow up checks on over/under expenditure
- Sample of invoices checked against goods/services delivered

Mandate Fraud:

Mandate fraud is when authorities are fraudulently advised of changes to supplier bank details.

Details of suppliers can be obtained from sources such as corrupt staff, published contract information and on-line logs of supplier contracts for example.

Request to change Bank details from an external source

- Confirm request with supplier using existing contact details
- Send a notification to the supplier confirming the change of details
- Check information on the request form to existing records before making any changes

Fraudulent Requests to set up Standing Orders

- Control account reconciliations to be performed monthly to confirm the financial statement accurately reflect transactions, enabling discrepancies to be identified and timely corrective action to be taken
- There should be a documented process in place to manage changes to the general ledger and compliance with this should be monitored

Rogue Publisher Fraud:

Publisher Fraud involves organisations being misled into paying for services such as advertising space in publications which is not required and may not even be provided.

This can be carried out in a number of ways:

- Invoices are sent to Local Authorities for adverts in publications that do not exist
- Local Authorities receive calls from “rogue publishers” claiming to be from genuine publications they have used before. If they express an interest they are passed to another operative who arranges for the advert to be placed. If the subsequent invoice is queried the “rogue publisher” claims a verbal contract exists.
- Local Authorities may be contacted with offers of a free listing in a “business directory”. They may be asked to complete and return a form confirming the Local Authorities details. In the small print it will state that by signing the form the organisation is committing to an order and agreeing to pay for on-going entries in the directory
- Rogue publishers will call organisations asking for the names of 2 members of staff who can authorise the placement of an advertisement in one of their publications. They then call one of these members of staff and ask them to authorise an advert that has been booked by the other person
- Authorities are contacted by telephone or letter and asked if they wish to place an advert in the next edition of a publication that they are falsely informed they have used before
- Rogue publishers mislead organisations to believe they are registered charities by using name which are very similar to genuine well-known charities
- Rogue publishers will claim their publications are being produced in conjunction with other agencies, when these actually have no involvement at all

Control Measures:

- Never place adverts over the telephone
- Request written details of the service being offered including full terms and conditions
- Keep a record of all calls from publishers noting all details
- Query invoices for services that do not appear to have been received
- Register at www.tpsonline.org.uk/ to opt out of receiving unsolicited sales and marketing calls.

Whistleblowing Policy

Taunton Deane Borough Council is committed to the highest possible standards of openness and accountability. In line with that commitment we expect both employees and members of the public who have serious concerns about any aspect of the Council's work to come forward and voice their concerns.

Whether you are an employee or a member of the public, you might be the first to realise that there may be something seriously wrong within the Council.

This policy is intended to encourage and enable employees and members of the public to raise concerns within the Council rather than overlooking a problem.

This policy also explains how you can raise a concern without fear of victimisation, subsequent discrimination or disadvantage.

Who can use this policy?

- All members of the public
- All Employees (including Contractors, Agency and Temporary staff)
- External Contractors
- Suppliers
- Service providers

What is included in the policy?

There are existing procedures in place to enable staff to lodge a grievance relating to their own employment. This policy is intended to cover concerns that fall outside the scope of the grievance procedure. Thus any serious concern that a member of staff or a member of the public has about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can and should be reported under this policy.

This concern may be about something that is:

- unlawful
- against the Council's Standing Orders, Financial Procedure Rules and policies
- against established standards of practice
- improper conduct
- amounts to malpractice
- posing a danger to the health and safety of individuals
- likely to cause damage to the environment
- other conduct that gives you cause for concern

Please note that this is not a comprehensive list but is intended to illustrate the range of issues which might be raised under this Code.

Safeguards

Harassment or Victimisation

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisals from those who may be guilty of malpractice or from the Council as a whole. The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action in order to protect a person who raises a concern where they reasonably believe that the disclosure they are making is in the public interest even if they were mistaken. In addition employees have statutory protection against reprisals under the Public Interest Disclosure Act 1998 as revised by the Enterprise and Regulatory Reform Act 2013 and can refer their case to an Industrial Tribunal.

Confidentiality

As far as possible, the Council will protect the identity of any employee or member of the public who raises a concern and does not want his/her name to be disclosed but this confidentiality cannot be guaranteed. It must be appreciated that any investigation process may reveal the source of the information and a statement by the person reporting the concern may be required as part of the evidence. Where an employee or member of the public has requested that their identity not be revealed, the Council will discuss the matter with them before embarking on any course of action whereby their identity will need to be disclosed.

Anonymity

Concerns expressed anonymously will be considered at the discretion of the Council although it must be appreciated that it is inherently difficult to investigate concerns expressed this way. It is hoped that the guarantees contained in this policy will provide sufficient reassurance to staff to enable them to raise concerns in person. However in exercising the discretion, the factors to be taken into account would include:

- The likelihood of obtaining the necessary information;
- The seriousness of the issues raised;
- The specific nature of the complaint;
- The duty to the public.

False and Malicious Allegations

The Council will not tolerate the making of malicious or vexatious allegations. Acts of this nature will be treated as serious disciplinary offences. Disciplinary action, including summary dismissal for serious offences, will be taken against any employee found to have made malicious or vexatious claims.

In line with the TDBC Complaints Procedure examples of vexatious allegations are persistently complaining about a variety or number of different issues; persistently making the same complaint but not accepting the findings of any properly conducted investigation and/or seeking an unrealistic outcome.

In addition, a concern, which is genuinely believed, may prove to be unfounded on investigation – in which case no action will be taken against the person who raised the concern.

The Council will try to ensure that the negative impact of either a malicious or unfounded allegation about any person is minimised.

How to raise a concern

If you are a member of the Public

You can raise your concern(s) with any of the following officers;

- Chief Finance Officer - Shirlene Adam (s.adam@tauntondeane.gov.uk)
- Human Resources Manager – Fiona Wills (f.wills@tauntondeane.gov.uk)
- Monitoring Officer – Bruce Lang (bdlang@westsomerset.gov.uk)
- SWAP Assistant Director – Alastair Woodland (alastair.woodland@southwestaudit.co.uk)
- SWCFP Investigation manager – Nick Hammacott (nick.hammacott@southwestaudit.co.uk)

The Council has set up an arrangement for a confidential answer phone service with the South West Audit Partnership (01935 462381). You can also email them at; confidential@southwestaudit.co.uk

If you are an employee of the Council

You should normally raise your concern(s) with your immediate manager or their manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. If you prefer (for whatever reason) or if you believe that management is involved, you can contact one of the individuals listed above.

The Council has set up an arrangement for a confidential answer phone service with the South West Audit Partnership (01935 462381). You can also email them at; confidential@southwestaudit.co.uk

Alternatively you can get confidential advice from your trade union or professional association. There is an independent charity called Public Concern at Work (020 7404 6609) www.pcaw.co.uk who have lawyers who can give independent advice at any stage about how to raise a concern about serious malpractice at work.

You can also invite your trade union or professional association to raise a matter on your behalf.

Members of the Public and Employees

Concerns can either be raised orally or in writing. Normally it is preferable to put your concern in writing.

What you need to include

It would be helpful to us if you could provide the following information

- background
- the history
- reason for your concern
- names
- dates
- places

See [Flowchart](#) on 'How to Raise a Concern'

How the Council will respond

The action taken by the Council will depend on the nature of the concern. Where appropriate, the concern(s) raised will be;

- investigated by senior management, internal audit (SWAP) or through the disciplinary process;
- referred to the police;
- form the subject of an independent inquiry.

In order to protect the individual and the Council, an initial investigation will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example fraud, theft and corruption) will normally be referred for consideration under those procedures.

It should be noted that some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this would be taken before any investigation is completed.

Within ten working days of a concern being raised, Alistair Woodland, SWAP Assistant Director, will write to you

- acknowledging that the concern; has been received
- indicating how he/she proposes to deal with the matter
- Giving an estimate of how long it will take to provide a final response.

If it is impossible for initial inquiries to be completed within ten working days, the situation will be explained in the letter of acknowledgement. Where a decision is made that no investigation will take place, the reasons for this will be provided.

The amount of contact between the officers considering the issues and you raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.

Where any meeting is arranged, you have the right to be accompanied by a union or professional association representative, relative or a friend who is not involved in the area of work to which the concern relates.

The Council will take appropriate steps to minimise any difficulties which you may experience as a result of raising a concern. For example, if an employee is required to give evidence in criminal or disciplinary proceedings, the Council will need to inform them and consider what steps are required to provide support.

The Council accepts that by raising a concern, you will need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive as much information as possible about the outcomes of any investigation.

How the Concern can be taken further

This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not satisfied with the outcome of your confidential allegation you can write to the Chief Executive and ask for the investigation and outcome to be reviewed. If you remain dissatisfied and you feel it is right to take the matter outside the Council, you may wish to take advice from your trade union, your local Citizens Advice Bureau, any of the external agencies listed in this policy, or your legal advisor on the options that are available to you.

Another option is that you may wish to rely on your rights under the Public Interest Disclosure Act 1998. This Act gives you protection from victimisation if you make certain disclosures of information in the public interest. The provisions are quite complex and include a list of prescribed persons outside of the Council who can be contacted in certain circumstances. You should seek advice on the effect of the Act from the Monitoring Officer.

If you do take the matter outside the Council, you need to ensure that you do not disclose information where you owe a duty of confidentiality to persons other than the Council (e.g. service users) or where you would commit an offence by making such disclosures. This is something that you would need to check with one of the officers listed in “How to Raise a Concern”.

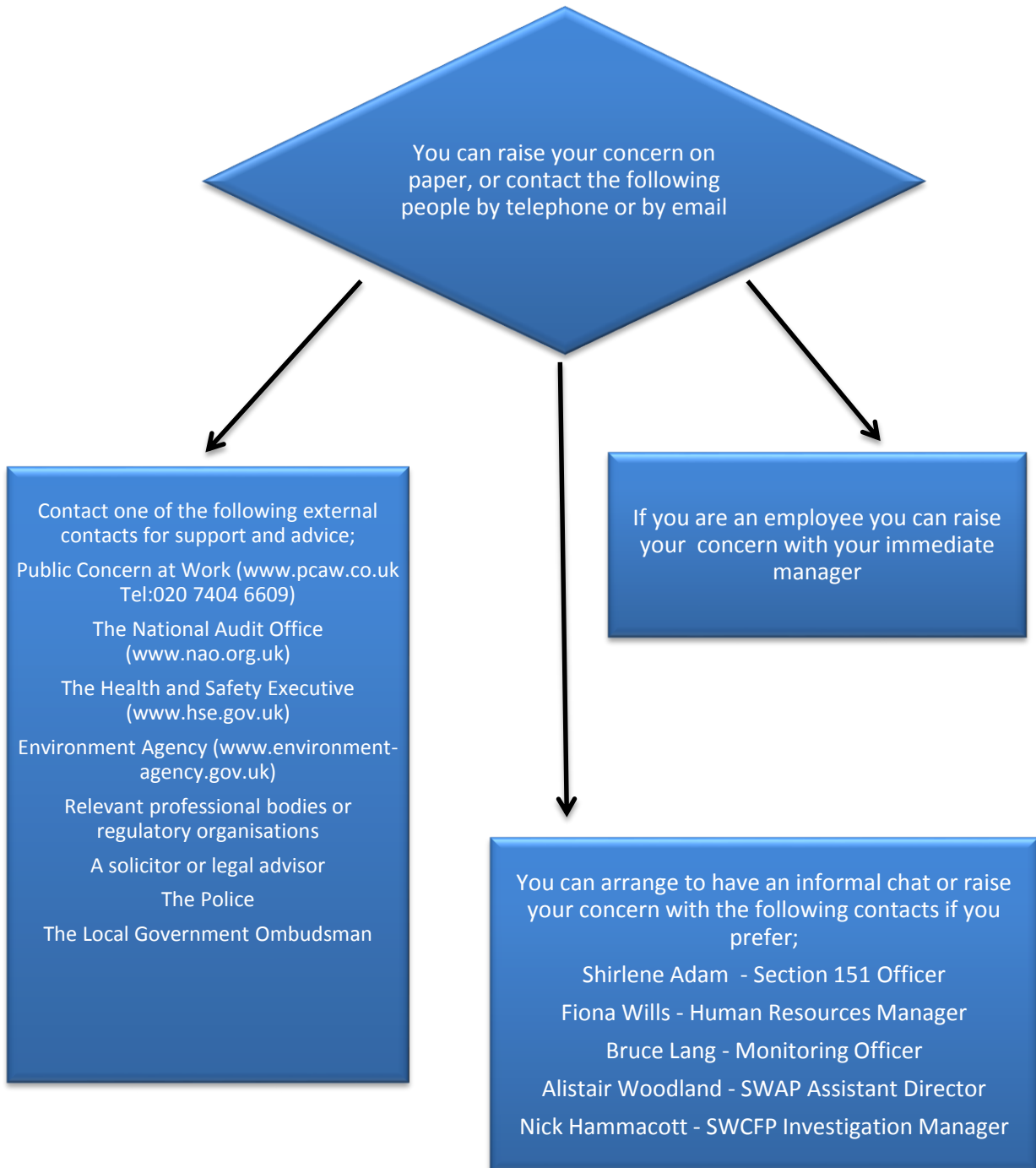
The Role of the Monitoring Officer

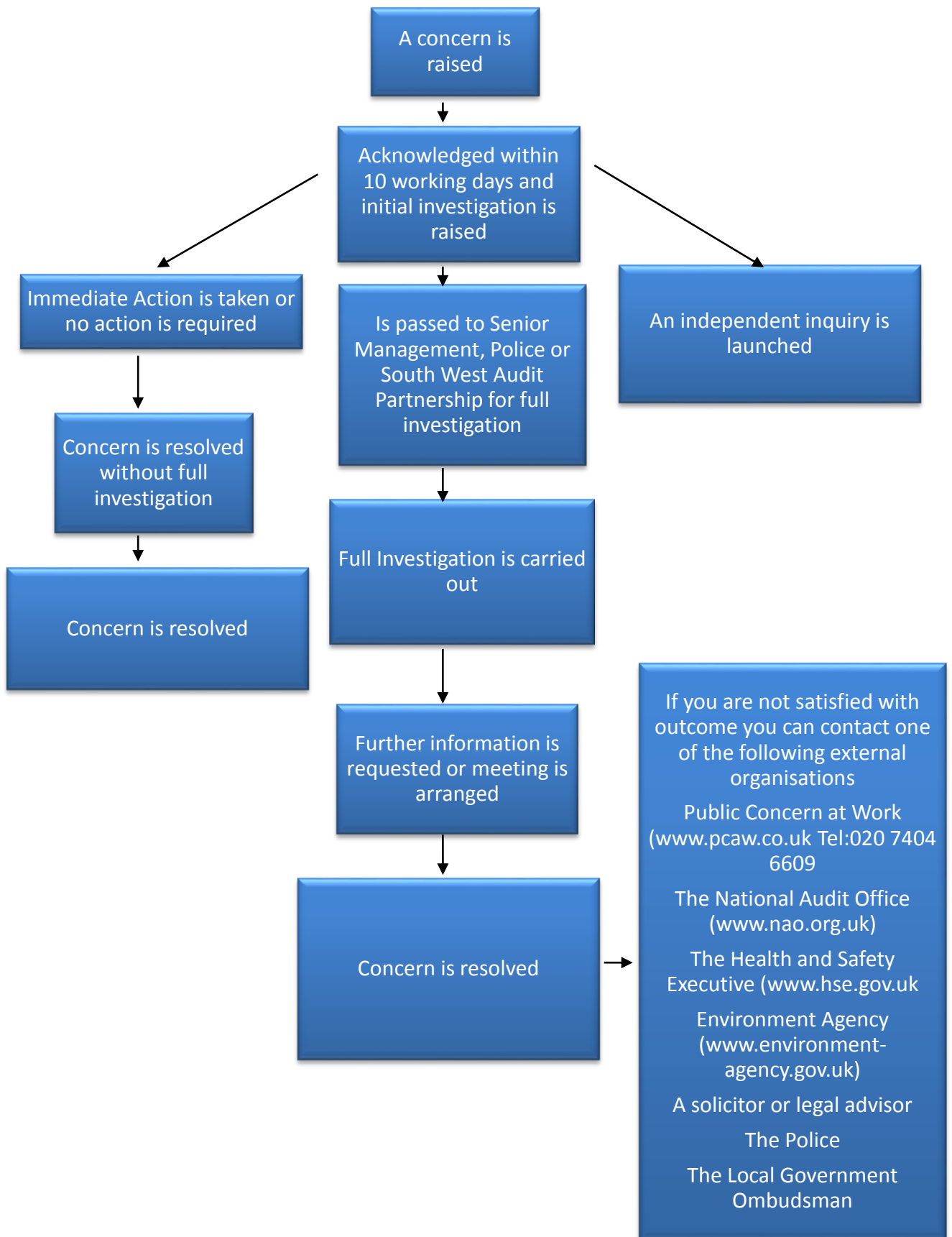
The Monitoring Officer is responsible for ensuring that the Council adheres to this Policy and the officer’s contact details are documented in this policy should you have any concerns with it. The Monitoring Officer is also responsible for reporting to the Council on any findings of improper or unlawful conduct following an investigation.

Review of policy

This Policy will be regularly reviewed in line with future changes and developments and at least every two years.

How to raise your concern





Anti-Bribery Policy

This policy provides a coherent and consistent framework to enable the organisation's employees and members to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable members/employees to identify and effectively report a potential breach.

TDBC requires that all members and staff, including those permanently employed, temporary agency staff and contractors:

- Act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible and to safeguard the Council's good reputation
- Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which TDBC operates, in respect of the lawful and responsible conduct of activities.

Scope of this policy

This policy applies to all of TDBC's activities. For partners, associated bodies and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within TDBC, the responsibility to control the risk of bribery occurring resides with all members and officers. It does not rest solely within assurance functions, but in all service areas, business units and corporate functions.

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

TDBC's Commitment to Action

TDBC commits to:

- setting out a clear anti-bribery policy and keeping it up to date
- making all employees aware of their responsibilities to adhere strictly to this policy at all times
- training employees so that they can recognise and avoid the use of bribery by themselves and others
- encouraging its employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- taking firm and vigorous action against any individual(s), (employees, contractors, agents) involved in bribery
- provide information to all employees to report breaches and suspected breaches of this policy
- include appropriate clauses in contract documents to prevent bribery.

TDBC's Proportionate Procedures

TDBC's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of its activities. They are intended to be clear, practical, accessible, effectively implemented and enforced.

Top level commitment

JMT and Executive are committed to preventing bribery by persons associated with the Council. They foster a culture within the organisation in which bribery is never acceptable.

Risk Assessment

TDBC assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due Diligence

TDBC applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

Communication (including training)

TDBC seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review

TDBC monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

<i>This organisation is committed to proportional implementation of these principles.</i>

Penalties

In accordance with the [Bribery Act 2010](#), an individual guilty of an offence under sections 1, 2 or 6 is liable:

- on conviction in a magistrates court, to imprisonment for a maximum term of 12 months or to a fine not exceeding £5,000, or to both
- on conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

TDBC is liable for these fines and, if guilty of an offence under section 7, are liable to an unlimited fine.

Bribery is not tolerated

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with an expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions. This, for example, includes customs officers.

Gifts and hospitality

This policy is not meant to change the requirements of our gifts and hospitality policy.

This makes it clear that all offers of gifts and hospitality of a value of £25 or over should be registered whether they are accepted or not.

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), TDBC is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. TDBC has the discretion to exclude organisations convicted of this offence.

Your responsibility as a member or officer

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation or under its control. All staff and members are required to avoid activity that breaches this policy.

You must:

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff and members that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

TDBC is committed to ensuring that all of us have a safe, reliable and confidential way of reporting any suspicious activity. We want each and every member of staff/member to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

There are multiple channels to help you raise concerns. Please refer to the [Whistleblowing Policy](#) and determine your favoured course of action. Preferably the disclosure will be made and resolved internally (e.g. to your head of department/on line reporting/telephone hotline). Secondly, where internal disclosure proves inappropriate, concerns can be raised with the external auditor. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be anonymous. In the event that an incident of bribery, corruption, or wrong-doing is reported, TDBC will act as soon as possible to evaluate the situation. TDBC has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not anonymous.

Staff/members who refuse to accept or offer a bribe, or those who raise concerns or report wrong-doing can understandably be worried about the repercussions. TDBC aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

TDBC is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

Anti-Money Laundering Policy

Introduction

Money laundering can be defined as “a process that makes money with an illegal origin appear legal so that it may be used”. Legislation concerning money laundering (the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 (as amended)) has broadened the definition of money laundering and increased the range of activities caught by the statutory framework. As a result, the obligations now impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.

Scope of the Policy

This Policy applies to all employees of the Council and aims to maintain the high standards of conduct that currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures, which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations. Within this policy the term employees refers to all employees as well as elected Members.

Anti-money laundering legislation places responsibility upon Council employees to combat money laundering and covers a very wide area of financial transactions, including possessing, or in any way dealing with, or concealing, the proceeds of any crime. It applies to all employees involved with monetary transactions.

Under the legislation it is a criminal offence to:

- Assist a money launderer;
- **Inform** a person suspected to be involved in money laundering that they are suspected or that they are the subject of police investigations;
- Fail to report a suspicion of money laundering and;
- Acquire, use or possess criminal property.

Purpose

The legislative requirements concerning anti-money laundering procedures are extensive and complex. This Policy has been written to enable the Council to meet the legal requirements in a way that is proportionate to the risk to the Council of contravening this legislation.

The object of this policy is to make all employees aware of their responsibilities and the consequences of non-compliance with this policy.

An employee could potentially be caught within the money laundering provisions if they suspect money laundering and either become involved with it in some way and /or do nothing about it.

Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities:

Employees contravening the regulations can be faced with imprisonment (up to 14 years), a fine or both.

Money Laundering Requirements

Provision of training to relevant officers and staff (or contractors' staff) on the requirements of the legislation, including the identification of suspicious transactions, identity verification and reporting procedures.

Establishment of procedures for employees to report any suspicions to the Money Laundering Reporting Officer ("MLRO") – i.e. Alistair Woodland, SWAP Assistant Director.

Designation of an officer as the Money Laundering Reporting Officer, who will receive any report, keep records and if considered appropriate, make reports to the National Criminal Intelligence Service (NCIS) - i.e. Alistair Woodland, SWAP Assistant Director.

Under the legislation employees dealing with money transactions will be required to comply with certain procedures.

Procedures

When do I need to identify the person I am dealing with?

When the Council is carrying out relevant business and: -

- a) Forming a business relationship: or
- b) Considering undertaking a one off transaction

And: -

- a) Suspect a transaction involves money laundering; or
- b) A payment is to be made for a series of linked one off transactions involving total payment of £10,000 (15,000 Euro) or more.

Not all of the Council's business is "relevant" for the purposes of the legislation regarding client identification. Relevant services as defined by the legislation include investments, accountancy and audit services and the financial, company and property transactions undertaken the council.

What Procedures do I use to identify the person?

Any employee involved in a relevant business should ensure the client provides satisfactory evidence of their identity personally, through passport/ photo driving license plus one other document with their name and address e.g. utility bill (not mobile) mortgage/building society/bank documents, card documents, pension/benefit book. Or corporate identity, this can be through company formation documents or business rates.

In circumstances where the client cannot be physically identified the employee should be aware: -

- a) That there is greater potential for money laundering where the client is not physically present when being identified;
- b) If satisfactory evidence is not obtained the relationship or the transaction should not proceed;
- c) If the client acts, or appears to act for another person, reasonable measures must be taken for the purposes of identifying that person.

Record Keeping Procedures

Each Service of the Council and contractors working for the Council conducting relevant business must maintain records of: -

- a) Client identification evidence obtained; which must be kept for five years after the end of the transaction or relationship;
- b) Details of all relevant business transactions carried out for clients for at least five years from the completion of the transaction. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering. The Finance Service Manager and Alistair Woodland, SWAP Assistant Director, must be informed of the existence and location of such records.

The precise nature of the records are not prescribed by law, however, they must provide an audit trail during any subsequent investigation, e.g. distinguishing the client and the relevant transaction and recording in what form any funds were received or paid.

The Money Laundering Reporting Officer

The Officer nominated to receive disclosures about money laundering activity within the Council is Alistair Woodland, SWAP Assistant Director i.e. The Money Laundering Reporting Officer (MLRO).

The Deputy Money Laundering Reporting Officers are Paul Fitzgerald (Assistant Director - Resources) and Steve Plenty (Finance Service Manager).

Internal Reporting Procedure

Where an employee is aware, that money laundering may have taken place (or may be taking place), he or she must contact the MLRO for guidance as soon as possible regardless of the amount being offered. In such circumstance, no money may be taken from anyone until this has been done.

Any person knowing or suspecting money laundering, fraud or use of the proceeds of crime must report this to the MLRO on the form(s) as attached.

Upon receiving the report the MLRO will consider all of the admissible information in order to determine whether there are grounds to suspect money laundering.

If the MLRO determines that the information or matter should be disclosed it would be reported to the National Criminal Intelligence Service (NCIS).

At no time and under no circumstances should an employee voice any suspicions to the person(s) suspected of money laundering, even if the NCIS has given consent to a particular transaction proceeding, otherwise the employee may be committing a criminal offence of informing. Therefore, no reference should be made on a client file to a report having been made to the MLRO. Should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render the employee liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Other Procedures

The Council will establish other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering:

Regular receipts - The Council in the normal operation of its services accepts payments from individuals and organisations e.g. in relation to council tax, sundry debtors etc. For all transactions under £2,000 the Money Laundering regulations do not apply but if an employee has reasonable grounds to suspect money laundering activities or proceeds of crime or is simply suspicious, the matter should still be reported to the MLRO.

Cash receipts – If the money offered in cash is £10,000 or more, then payment must not be accepted until the employee has received guidance from the MLRO or the Head of Finance.

Refunds- Care will need to be taken especially with the procedures for refunds. For instance, a significant overpayment that results in a repayment will need to be properly investigated and authorised before payment. **Note – all refunds should be made only to the source of the payment and not a different account.** In the event of any suspicious transactions, the MLRO will be contacted to investigate the case. The possible perpetrator should not be informed.

Training – The Council will take, or require its contractor to take, appropriate measures to ensure that relevant employees are:

- a) Made aware of the provisions of these regulations, (under the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2007 (as amended));
- b) Given training in how to recognise and deal with transactions that may be related to money laundering.

Glossary of Terms

AML Anti money laundering

MLRO Money laundering reporting officer as defined in the Money Laundering Regulations 2003 and the FSA (Financial Services Act)

NCIS National Criminal Intelligence Service. Provides strategic and tactical intelligence on serious and organised crime, nationally and internationally and is responsible, through its Economic Crime Unit, for receiving reports of money laundering suspicions.

1. Money Laundering Warning Signs

The following examples could indicate that money laundering is taking place:

- Transactions or trade that appear to make no commercial or economic sense from the perspective of the other party - a money launderer's objective is to disguise the origin of criminal funds and not necessarily to make a profit. A launderer may therefore enter into transactions at a financial loss if it will assist in disguising the source of the funds and allow the funds to enter the financial system.
- Large volume/large cash transactions - all large cash payments should be the subject of extra care and before accepting cash the reasons for such payments should be fully understood. Payments should be encouraged through the banking system to avoid problems.
- Payments received from third parties - money launderers will often look to legitimate business activity in order to assist in 'cleaning' criminal funds and making payments on behalf of a legitimate company can be attractive to both parties. For the legitimate company it can be useful source of funding and for the launderer the funds can be repaid through a banking system.

Examples of tell-tale signs of organised money laundering: -

1. Use of cash where other means of payment are normal
2. Unusual transactions or ways of conducting business
3. Unwillingness to answer questions/ secretiveness generally
4. Use of overseas companies
5. New companies
6. Overpayments of Council Tax where refunds are needed.

Disclosure Form to MLRO

Please complete and return to Alistair Woodland, SWAP Assistant Director

Date of disclosure

Date of event

Officer making disclosure:

Job title of officer:

Telephone details:

SUBJECT DETAILS

Title:

Surname:

Forename:

DoB:

IN THE CASE OF A LEGAL ENTITY (COMPANY)

Name: Address:

Company Number (if known)

Type of Business:

VAT no (if known)

REASON FOR DISCLOSURE

Please provide an explanation of the activity and amounts. If you know or suspect what the offence behind the reported activity may be please provide details.

RECEIVED BY MLRO

Reference:

Date:

Signature:

Taunton Deane Borough Council

Corporate Governance Committee – 21 March 2016

Proposed Changes to Constitution

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Bruce Lang; Assistant Chief Executive and Monitoring Officer

1 Executive Summary

- 1.1 This reports seeks the Committee's views on a few detailed changes which are being proposed by the Constitutional Sub-committee to the Council's Constitution which, if approved, will provide greater clarity to timescales by which certain motions/amendments/questions are to be submitted in advance of Council meetings and provide sufficient time for any relevant research/analysis to be undertaken prior to the meeting in question.
- 1.2 The present clauses are somewhat ambiguous and do not always allow sufficient time for the necessary preparation work to be undertaken by Officers.

2 Recommendations

- 2.1 That the Corporate Governance Committee recommend to full Council that the Constitution be amended as set out in Appendix A to this report.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Members may not be clear as to the deadlines for submitting requests and/or there may not be sufficient time for necessary research to be undertaken in respect of requests received	3	3	9
<i>The proposals provide clarity in regard to timescales and allow more time for research to be undertaken following the receipt of questions</i>	1	3	3

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

- 4.1 The Constitutional Sub-Committee has a standing item on its agenda to consider any potential suggested changes to items in the Constitution that could improve/facilitate efficient and effective governance of the Council.

At its meeting held on 27 November 2015 the Constitutional Sub-Committee considered three detailed proposals.

- 4.2 On page 84, relating to Notices of Motion, Clause 4 (2) currently states that 8 calendar days' notice are required in order to have a Notice of Motion included in the summons to a Council meeting. This effectively means that a Notice can be delivered anytime up to 12 noon on the Monday week prior to the day in which a council meeting is due to be held. In essence this provides hardly any time at all for Officers to consider the implications of the Motion proposed and undertake any necessary research/analysis to ensure that when the matter is debated/placed on the agenda there is clarity in respect of the implications should the motion in question be approved. This has been a matter of some discussion in regards to recent Notices of Motion that have been considered by the Council.

It is, therefore, proposed that the clause be reworded as set out in Appendix A to this report which would have the effect of requiring a Notice to be submitted to the Democratic Services Manager by 4.00 pm on the Thursday of the week prior to the week that the summons for the meeting is to be dispatched, which will provide clarity and sufficient time for any required research to be undertaken in relation to the wording of a Notice of Motion prior to it being included in the agenda papers.

- 4.3 On page 86 of the Constitution referring to Amendments, Clause 6 (6) currently states that, if there is to be an amendment to the proposed budget it must be received by the Democratic Services Manager by 12 noon the day before a Council meeting.

This provides very little time for Officers, in particular the Finance Team, to take into account the implications of any proposed amendment and it is, therefore, suggested that this clause be reworded the effect of which will be to require any such amendment to be received by the Democratic Services Manager by 4.00 pm on the Thursday before the council meeting.

This would give at least two clear working days for Officers to do the necessary preparatory work before the council meeting when the amendment would be discussed.

- 4.4 On page 89 of the Constitution, Clause 14 (2) currently states that any Councillor upon giving two working days written notice to the Democratic Services Manager may ask a question of the relevant post holders listed relating to their responsibilities.

The current wording is somewhat ambiguous and has the potential for not allowing sufficient time for responses to be prepared.

It is, therefore, proposed that Clause 14 (2) be amended to give effect that a Councillor should give written notice to the Democratic Services Manager by 4.00 pm of the Thursday before the meeting of such questions. This should provide adequate time for responses to be prepared in advance of the Council meeting.

The members of the Sub-Committee are of the view that, by agreeing to these changes, it would both provide greater clarity for those Members who wish to submit motions/amendments/questions and provides sufficient time for answers to be prepared, which should be of benefit to all parties concerned.

5 Links to Corporate Aims / Priorities

- 5.1 The proposed changes should provide greater clarity and assist the efficient governance of the Council.

6 Finance / Resource Implications

- 6.1 None

7 Legal Implications

- 7.1 None

8 Environmental Impact Implications

- 8.1 None

9 Safeguarding Implications

9.1 None

10 Equality and Diversity Implications

10.1 None

11 Social Value Implications

11.1 None

12 Partnership Implications

12.1 None

13 Health and Wellbeing Implications

13.1 None

14 Asset Management Implications

14.1 None

15 Consultation Implications

15.1 None

Democratic Path:

- **Corporate Governance – Yes**
- **Executive – No**
- **Full Council – Yes**

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

Contact Officers

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APPENDIX A

POSSIBLE AMENDMENTS TO THE TAUNTON DEANE BOROUGH COUNCIL CONSITUTION

REF.	CURRENT	PROSED
Notices of Motion (page 84) 4 (2)	8 calendar days' notice are required in order to have a Notice of Motion included in the summons to a Council meeting.	Seven clear working days' notice is needed in order to have a Notice of Motion included in the summons. This means that written notice must be delivered to the Democratic Services Manager by 4.00 pm on the Thursday of the week prior to the week that the summons for the meeting is to be dispatched or by 4.00 pm on the day that provides seven clear working days before the council meeting (excluding the day of the meeting itself).
Amendments (page 86) 6 (6)	If there is to be an amendment to the proposed budget then it must be received by the Democratic Services Manager by 12 noon the day before the Council meeting.	If there is to be an amendment to the proposed budget then it must be received by the Democratic Services Manager by 4.00 pm on the Thursday before the Council meeting or by 4.00 pm on the day that provides two clear working days before the Council meeting (excluding the day of the meeting itself).
Questions from Councillors (page 89) 14 (2)	Any Councillor upon giving two working days written notice to the Democratic Services Manager may ask	Any Councillor, upon giving written notice to the Democratic Services Manager by 4.00 pm on the Thursday before the Council meeting or by 4.00 pm on the day that provides two clear working days before the Council meeting (excluding the day of the meeting itself) may ask.....

Taunton Deane Borough Council

Corporate Governance Committee – 21 March 2016

Electoral Review of Taunton Deane Borough Council

This matter is the responsibility of Executive Councillor Richard Parish

Report Author: Bruce Lang, Assistant Chief Executive and Monitoring Officer

1 Executive Summary

- 1.1 The report sets the context for the process and timetable associated with the Electoral Review (ER) of the electoral review of the Taunton Deane Borough Council (TDBC) which is to be undertaken by the Local Government Boundary Commission for England (LGBCE). The first task for the Council in this process is to consider authorising an agreed submission to the LGBCE on the size (number of Councillors) of the Council and the report provides a draft submission to be considered for recommendation to full Council.

2 Recommendations

- 2.1 To agree the draft submission, attached as Appendix A to this report, with or without amendments, to the LGBCE in respect of Council size for recommendation to full Council.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
If no submissions are made by TDBC then the LGBCE will impose a solution that may not be fit for purpose or popular locally	4	4	16
<i>To develop a proposal to submit on behalf of TDBC to influence the LGBCE recommendations</i>	2	4	8

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
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	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily/weekly/monthly)	> 75%

4 Background and Full details of the Report

- 4.1 On 9 July 2013, the LGBCE agreed that there should be an electoral review of TDBC. The review was triggered as 42% of wards currently have 10% more or fewer electors in them than the average (in the region of 1400 per councillor) for the authority (the trigger figure is 30% of all wards).
- 4.2 Where the LGBCE considers that such imbalance is unlikely to be corrected by foreseeable changes to the electorate within a reasonable period, then they instigate an ER. The last review of TDBC’s electoral arrangements was undertaken in 2006 when it was agreed to increase the council size from 54 to 56 members and to make some adjustment to the warding patterns.
- 4.3 Due to a busy schedule of work nationally, the LGBCE have not been able to commence the ER for TDBC until now and following an introductory meeting on 24 November 2016 commenced their work with briefings for TDBC Members, officers and parish councils on 29 February 2016. Going forward, the first formal stage of the process is for the LGBCE to make a proposal regarding the size (number of councillors) and there is an opportunity for TDBC to submit its own proposal as part for consideration. The deadline to do this is by 6 May 2016 and so the intention is for any recommendation to go from this Committee to full Council on 12 April 2016.

- 4.4 The LGBCE will consider all submissions on Council size and then issue their recommended option after 21 June 2016. There will then be a period of consultation from 28 June 2016 until 5 September 2016. Once again, TDBC will have the opportunity to put forward a submission in this regard and it may be necessary to schedule a special meeting of council to meet this deadline.
- 4.5 After considering any submissions received, the LGBCE will then issue their draft recommendations on 8 November 2016 and allow a period for consultation until 9 January 2017 (and so it may be possible for TDBC to agree a response at its full council meeting scheduled for 13 December 2017). The final recommendations will be made on 14 March 2017 with an order then being laid in Parliament with any new electoral arrangements coming into force for the May 2019 local elections.
- 4.6 It has been agreed that the sub-committee should lead on co-ordinating the work in TDBC to support this process and has already had progress reports at its November 2015 and February 2016 meetings. Officers have commenced work on providing the latest electoral data and developing electoral forecasts for the middle of 2022 as requested by the LGBCE.
- 4.7 The ER has two distinct parts. The first is consideration by the Council of its future size. This refers to the number of elected members required for effective conduct of council business corporately and by individual Members. In determining size, the LGBCE will consider not only any proposal from this council but also any other submissions it receives. This is the main purpose of this report.
- 4.8 The second part of the process is consideration of new polling districts and, in turn, new ward boundaries. This occurs after the LGBCE publishes its initial conclusions on council size. A further report on this phase will be produced in due course.
- 4.9 In terms of Council size, the LGBCE guidance indicates that in exercise of its judgement on this issue, it will consider three key areas:-
- (i) The Council's governance arrangements, and how it takes decisions across the range of its responsibilities;
 - (ii) The Council's scrutiny functions relating to its own decision-making and the Council's responsibilities to outside bodies; and
 - (iii) The representational role of TDBC Councillors in the local community, and how they engage with residents, conduct casework and represent the Council on wider partnerships.
- 4.10 At the request of the Constitutional sub-committee all Group leaders were contacted and requested to submit any proposals or views in regard to the size of the council and a representation was received from the Conservative Group which suggested that consideration be made to aiming for a figure in the early 40s which would represent a reduction from the current figure of 56.
- 4.11 This representation was subsequently discussed at the meeting of the sub-committee held on 4 February 2016 when there was a general consensus that the suggestion was probably in the right area and that there was merit in exploring an option in this quantum. The representation was then circulated to all political groups for comment and officers have continued to work on documenting current and proposed governance arrangements and fine tuning the electorate forecasts. This work resulted in the draft submission which was considered at the meeting of the sub-committee held on 4 March

20156 and following further refinement a draft submission was recommended for consideration by this Committee at Appendix A.

5 Links to Corporate Aims

- 5.1 Aim 4 of the Corporate Strategy relates to Transforming the Council and Objective 10 of that Aim makes reference to transforming the way the council works. The democratic process is key to how any council functions effectively and by actively participating in the ER, the Council will help future proof the authority in terms of seeking to identify the optimum number of councillors and most equitable warding pattern, having regard to advances in technology and changes in legislation. This particular report aims to recommend a council size that allows the council to take decisions effectively, manage the business and responsibilities of the authority successfully and provide effective community leadership and representation.
- 5.2 An ER is a statutory process in which the Council is required to participate, at least by the provision of information requested by the LGBCE.

6 Finance

- 6.1 There are no direct financial implications arising from this report other than officer and member time taken to work on and support the review.

7 Legal Implications

- 7.1 An ER is undertaken by the LGBCE in accordance with Section 56 of the Local Democracy, Economic Development and Construction Act, 2009 and under sub section 56(9), the Council is required to provide such information as is requested by the LGBCE in support of the ER.

8 Environmental Impact Implications

- 8.1 None in respect of this report.

9 Safeguarding and/or Community Safety Implications

- 9.1 None in respect of this report.

10 Equality and Diversity Implications

- 10.1 *The three aims the authority must have due regard for are:-*

- *Eliminate discrimination, harassment, victimisation;*
- *Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- *Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

- 10.2 Whilst the report is not directly addressing eliminating discrimination relating to the protected characteristics, the aim of improving electoral equality is laudable in terms of perceived fairness from a public perspective.

11 Social Value Implications

- 11.1 None in respect of this report

12 Partnership Implications

12.1 None in respect of this report.

13 Health and Wellbeing Implications

13.1 None in respect of this report.

14 Asset Management Implications

14.1 None in respect of this report.

15 Consultation Implications

15.1 The LGBCE undertook briefings for Members and Officers of TDBC and for Parish Councils on 29 February 2016 and the ER process allows for full public consultation on size and warding recommendations as explained in section 4 of the report.

Democratic Path:

- **Constitutional Sub-committee - Yes**
- **Corporate Governance - Yes**
- **Executive - No**
- **Council - Yes**

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

List of Appendices

Appendix A	Draft Submission on Council Size
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APPENDIX A

ELECTORAL REVIEW

DRAFT COUNCIL SIZE SUBMISSION

TAUNTON DEANE BOROUGH COUNCIL

April 2016

Introduction

On 9th July, 2013, the LGBCE agreed that there should be an electoral review of TDBC. The review was triggered as 42% of wards had 10% more or fewer electors in them than the average (in the region of 1400 per councillor) for the authority (the trigger figure is 30% of all wards).

The first stage of the review is for the LGBCE to make a proposal regarding the future size of the Council i.e. the number of councillors to comprise the future of the council. This matter was the subject of debate at the Council on 12th April, 2016 where the following was resolved:

‘to put forward to the LGBCE that 43 was the preferred number of Councillors to constitute the Council following the implementation of the electoral review’

Background to the Process

The LGBCE’s technical guidance document sets out the following key criteria for determining the size of the Council:

- (i)The Governance arrangements for the Council and how it takes decisions across the broad range of its responsibilities;
- (ii)The scrutiny functions relating to its own decision making, and the Council’s responsibilities to outside bodies;
- (iii)The representational role of Councillors in the local community and how they engage with people, conduct casework and represent the council on local partner options.

In considering the issues around council size, the authority did not want to lose sight of the statutory criteria of delivering electoral equality for local voters whilst balancing the interests and identities of local communities and delivering effective and convenient local government.

The LGBCE aims to recommend a council size that allows the council to take decisions effectively, manage the business and responsibilities of the council successfully and provide effective community leadership and representation.

A summary ‘at a glance’ document – see Appendix 1 – provides a high level local context for the Taunton Deane area including the main challenges and opportunities relating to the borough.

TDBC currently has 56 councillors; this was last reviewed in 2006 when the number was increased to 56 from 54. In terms of comparing this figure, using the Nearest neighbour model prepared by the Chartered Institute of Public Finance and Accountancy, TDBC has the equal second largest number of councillors with only South Somerset(with 60) having more and Wyre Forest the smallest number

with 33 – see Appendix 2.

As at December 2015, TDBC had an overall electorate of 79,647 with an average electorate per councillor of 1,422, with a large proportion of the wards exhibiting variances from the average by more than plus or minus 10%. In addition, a comparison with the three hundred plus local authorities in England shows that the electorate per councillor figure to be in the lowest 10% across the country.

The LGBCE are also required to take into account any changes in the number and distribution of electors that is likely to take place within 5 years following the end of the review. So in this case, with the review due to be completed during 2017, the LGBCE have asked for electorate forecasts for the period until 2022. This is not a straightforward process as in addition to taking into account birth and mortality trends, proposed new housing developments need to be estimated, including type and size of dwellings and inward and out ward migration. The output from this work is set out in Appendix 3 from which it can be seen that it is estimated that as at 1st April, 2022, the total number of electorate is estimated to be in the region of '84,166'(to be updated).

(i)Governance and Decision Making

The Council currently operates Executive decision making arrangements with 8 portfolios. The controlling group is the conservatives with 36 members, with 13 liberal democrat members, 3 independent members, 2 labour members and 1 UKIP member(and one seat currently vacant with a by-election scheduled for 14th April, 2016).

A borough charter was granted on the 10th March, 1975 and every year the councillors elect one of their number to be Mayor of Taunton Deane. The two main roles for this job is to chair the full council meetings and be the First Citizen of Taunton Deane.

A summary of the decision making structure is provided in the attached diagram – see Appendix 4 – which sets out the numbers of members on each committee.

In addition to the formal decision making structure there are also a series of sub-groups as follows:-
Local Development Steering Group (5 Members)

Growth Steering Group (8 members)

Taunton Economic Advisory Board (2 members)

River Tone Task and Finish Group (5 members)

Parishing the unparished area of Taunton Task and Finish Group (5 members)

Taunton Unparished Area Advisory Group

The Deane House Re-location Project Steering Group (8 members)

Deane DLO Re-location Steering Group (4 members)

Joint Partnership Advisory Group (4 members)

South West One Working Group (4 members)

These groups tend to meet 3 or 4 times a year and some will disband if they are linked to a particular project with new ones getting established. The current number of groups is fairly typical and attendance rates tend to be fairly high as members often volunteer to serve on the groups and are therefore very committed to the subject matter.

All member briefings on topics of interest are also held; usually around 4 to 6 in a year and although attendance can vary, they are a valued way of keeping members informed and engaged on topical issues.

Appendix 5 lists all the councillors (one current vacancy) by political party, sets out the portfolios, the Mayor and Deputy Mayor and lists which councillors sit on which committees.

Appendix 6 lists the attendance records of all councillors over the period since the May 2015 local elections. This demonstrates that, broadly speaking, the percentage attendance records for members is very high with the majority of councillors attending at least 75% of meetings of Council/committees on which they hold a seat. It also shows that 5 of the members do not sit on any committees other than full Council (noting that one of these is the serving Mayor).

Appendix 7 provides details of the various roles of Councillors as referenced in the Constitution.

Appendix 8 sets out a list of Outside Bodies upon which the council provides a representative(s) and the names of those representatives.

Appendix 9 sets out the meetings timetable for TDBC in respect of the 2016 calendar year.

There are extensive delegation provisions in the Constitution for Executive Councillors and Officers with the over-arching principles set out in Appendix 10.

The use of executive decisions has become an important part of the decision making process; since the May 2015 elections, there have been 40 executive decisions made; over the same period there have been 32 substantive items considered at the monthly Executive meetings. In the 12 month calendar year of 2015, there were 66 individual executive decisions taken and 38 substantive items determined at meetings of the Executive over the same period.

One of the key operational principles that underpins the current governance arrangements at TDBC is an 'evening culture' of holding the majority of the key decision making meetings after the close of the 'normal working day'.

This is seen as extremely important to encourage persons of working age to both stand for council and successfully operate as councillors if elected; it is anticipated that this culture will continue going forward post 2019 when any new electoral arrangements would be introduced.

(ii)Scrutiny functions

TDBC has an extensively used scrutiny function with three elements – Corporate Scrutiny, Community Scrutiny and Co-ordinating Scrutiny – Appendix 11 sets out the respective terms of reference for these three elements.

The majority of key decisions that are to go to the Executive and/or full Council get previewed by the appropriate scrutiny committee; in addition, quarterly performance reports are considered in respect of the council's services and reviews are carried out on ongoing/completed key corporate projects.

In addition, both committees consider relevant 'call ins' of Executive decisions as and when they occur.

Both scrutiny committees meet monthly and have busy workloads; their workloads are managed by the Co-ordinating Scrutiny Committee which meets quarterly to manage the forward plan of the two main committees.

There is provision for the establishment of Task and Finish Groups to be set up to consider specific issues/topics and report back to the main committees although with such busy and regular main committees, this mechanism is not currently frequently used.

(iii)Representational Role of Councillors

The key roles for TDBC councillors are listed in Section 2.3(a) of the Constitution – see Appendix 7.

These include being policy makers, contributing to good governance and representing the interests of their ward/individual constituents. Members receive extensive induction and ongoing training to support these roles- Appendix 12 sets out the Induction Training Programme following the May 2015 elections.

There is no specific guidance for how councillors should undertake their representational role as 'one size fits all' would not be appropriate as TDBC consists of a wide variance in the nature of its electoral wards. These can vary from extremely urban densely populated wards to large sparsely populated rural wards. Councillors covering the rural areas often attend the relevant parish/town council meetings as one means of communicating with their communities whereas this option is not available in the unparished area of urban Taunton. To balance this, in the absence of a town council for Taunton, those TDBC councillors which represent this part of the Deane will probably devote some of their time to administering and distributing the unparished area fund. Some councillors do already use different aspects of the social media to communicate with constituents alongside more traditional methods such as visiting people in their own homes, holding surgeries, writing an article in a local magazine etc.

As Appendix 8 demonstrates, the Council appoint representatives onto in the region of 30 outside bodies with about a third being executive councillors and two thirds non-executive councillors.

Including the Leader, there are 8 portfolio holders who will need to spend extra time fulfilling their roles as will the various chairs of committees. The role of the Mayor is fairly time intensive with, in the busier times, more than one engagement per day to attend.

Taking the above factors into account, it would follow that, depending on their roles, individual

members would be required to spend different amounts of time to meet their obligations as a councillor at TDBC.

As part of the work led by the Independent Remuneration Panel, a survey was sent to all TDBC members in December 2015 asking them to indicate, on average, over the course of a week, how many hours (including meetings, travel, dealing with constituent problems etc) do they spend on borough council duties. 15 responses were received ranging from 4 hours to 45 hours with the median point being 20 hours per week.

Given the relatively small number of responses, these figures cannot be considered statistically significant or be relied upon to be representative of the whole current cohort of councillors. For example, given the survey was anonymous, there is no way of knowing whether those that responded were portfolio holders or backbenchers etc. Never-the-less, given that the information is based on real recent responses, a figure of up to 20 hours may represent a reasonable approximation of the scale of commitment needed to properly carry out the role of a councillor of a principal local authority such as TDBC.

(iv) The Future and proposal for Council size

As part of preparing for the Electoral Review, all TDBC political groups were requested to submit any views they might have in respect of the size of the Council. A submission was subsequently received on behalf of the Conservative Group – attached as Appendix 13. Their view was the council's size should be in the region of the low 40s due to TDBC currently having one of the lowest electors to councillor ratio in its nearest neighbours group (see Appendix 2) and that with some councillors already not sitting on any committees, this implies that there were currently too many councillors and they were of the view that existing committee sizes could be reduced and still operate effectively.

There is clearly a trend nationally for councils to be reducing in size with the majority having electorate per councillor ratios above 2000.

Never-the-less, it is important to test that such a smaller size model would be fit for purpose for TDBC.

In terms of decision making, there are extensive delegated powers available to members and officers to enable more decisions to be taken swiftly and transparently without needing to wait for the holding of formal meetings- see Appendix 10. This is particularly well demonstrated by the effective use of individual executive decision making by individual portfolio holders- Appendix 14 shows that recent trends are for there to be more executive decisions taken by individual portfolio holders than at full Executive meetings. No transparency is lost as all such individual decisions are publicised to all members and can be called in the same way as if they had been considered and made at a full Executive meeting.

In terms of the non- executive committee process, there are currently 80 seats to be covered by 48 non- executive members which works out at 1.6 seats per councillor. If, for example, it was agreed that size of the council in future was set at 43 and there was still an Executive consisting of 8 members, this would leave 35 non-executive members. If the number of seats on non-executive committees were reduced as shown below, resulting in a total of 56 seats to be filled, then that would still work out at a ratio of 1.6 seats per councillor. This demonstrates that the existing governance arrangements could be accommodated/maintained without creating any significant burden on a reduced membership.

	Current non-executive members (48 out of 56)	Proposed non-executive members(35 out of 43)
Community Scrutiny	15	10
Corporate Scrutiny	15	10
Corporate Governance	15	10
Licensing Committee	15	10
Planning Committee	15	12
Standards Advisory	5	4
Total committee places	80	56
Ratio of members to committee places(excluding executive)	1.6	1.6

By not having to change the overall governance structure as indicated above, the council could still retain two scrutiny committees and be confident that the scrutiny function should not suffer in comparison with current arrangements. In terms of relative profile, there are currently 30 scrutiny seats for 48 non-executive members representing a ratio of seats available for 0.6 of non-executive councillors whereas in the 43 councillor model, there are 20 seats available for 35 non-executive members, giving a similar ratio of seats available for 0.6 of non-executive councillors; therefore retaining the relative profile/balance of the scrutiny function within the council.

In terms of the Executive, the above table shows no reduction in the number of portfolios which, coupled with the increasing use of individual executive decision making powers should ensure that this aspect of the council's governance should be sustainable with a smaller number of overall councillors.

A smaller number of councillors would obviously result in a higher electorate to councillor ratio and some wards covering a larger geographical area than at present. For example, if there were 43 councillors with a total electorate of 84,166, then the ratio would increase from the current 1,422 to 1,957. Never-the-less, a figure of around about 2000 would not look unrealistic when comparing with trends nationally.

It should be stressed that the suggested numbers shown in the right hand column is but one possible

variant that could be adopted should the size of the council be set at a lower figure of 43. There could be other options/elements to be adopted/accommodated depending on precisely what is needed/considered to work best. For example:

i) recent indications are that the Licensing Committee does not need to meet very regularly (already it is only quarterly at most) and so the number on this committee could be reduced from the 10 shown in the table;

ii) the provision of scrutiny could be reviewed and modified by having one main committee instead of two whilst making more use of task and finish groups; and

iii) if the size was reduced to 43 then the retention of an executive of 8 could be considered top-heavy and so a reduced executive consisting of say 6 portfolios may be sufficient to cover what business is needed.

It is not considered necessary or appropriate to be prescriptive of such detail at this stage but rather to recognise that there are other detailed options that would fit the proposed model of a more streamlined, smaller council for the future to reflect the priorities and demands of the time.

The council is involved in a wide range of partnerships as illustrated by the list of representations on outside bodies; never-the-less, as long as this list did not dramatically increase above the current 30 or so, it would not be unreasonable to expect a council with size of say 43 members to be able to cope with this. There should also still be sufficient members to attend the various standing and ad hoc Working and Task and Finish groups that will be needed.

Representing a larger number of electors and, in some cases, covering a larger geographic area could present some challenges; however, the role of technology is having an increasing influence on all walks of life, including the working of local authorities and how they interact with their communities. An obvious example is that the use of e-mail reduces the need for face to face contact with residents and improvements to the council's offer, particularly its web-site to help customers 'self-service', will undoubtedly reduce some of the workload for elected members. There are therefore more efficient and less time-consuming ways in which councillors can manage their contacts with local residents.

Earlier in the submission, there was reference to an average of 20 hours per week needed for TDBC councillors to undertake their borough duties and whilst under a model of 43 councillors this is unlikely to decrease, the analysis above illustrates that such a smaller size model should not necessarily result in individual councillors having to attend more meetings and the smart use (and availability of good quality) technology should enable members to meet the needs of their larger constituencies (in terms of both numbers and area) without having to significantly devote more hours into the role.

By having a smaller council with the suggested size of 43, this would be more typical of what is happening within TDBC's nearest neighbour group of councils and reflect the general trend for councils to become more streamlined. Although it should not be a driving factor, obviously, a smaller number councillors will reduce the cost of democracy in times when limited resources should always be focussed on direct service delivery. The current basic allowance paid per councillor at TDBC is £4,344 per annum and so reduce the number by 13 (from 56 to 43) would represent a minimum ongoing saving of £56,472 per annum with effect from May 2019.

Other Options

In reaching a view to put forward a council size of 43, consideration has been given to other options both larger and smaller.

In terms of recommending a size that was in the region of the current number of 56, the analysis has clearly demonstrated that from a governance point of view, there appear to be very credible options to show that good governance can continue to be delivered with a smaller number of councillors. The main argument for keeping a higher number of councillors relates to being assured that there will be sufficient member representation of local communities and vulnerable individuals. The arithmetic shows that a size of 43 will increase the electors to councillor ratio from 1422 to 1957.

This does appear to be a significant increase; nevertheless, as indicated above, the changes in modes of communication and advances in technology should increase the efficiency of dealing with constituents and indeed, eradicate many of the current reasons why constituents feel they have to contact their councillor (as they can access council services and information themselves virtually). So based on the 80/20 rule, then the 80% of contacts should be either greatly reduced or very easy and not time-consuming to deal with. It is therefore considered that a figure around 43 should be large enough to meet the needs of local communities/individuals.

Turning to the possibility of recommending that the size of the council be reduced below 43, the main argument in favour of this would be to establish a more stream-lined and business like council and reduce further the cost of democracy. It is, however, considered that the right balance needs to be identified. In addition to a smaller number of councillors resulting in having a larger number of electors to be responsible for, those electors would be spread over larger geographical areas and possibly in some instances less cohesive local communities. Furthermore, the flip side to the 80/20 rule is that there will always be a proportion of people who will be genuinely vulnerable and need significant support to properly and safely access council services and members will continue to have a key role to ensure this happens. It is therefore considered that to go below the size of 43 would be to raise the risk of not being able to properly serve the needs of the people of the area to an unacceptable level.

Conclusion

In conclusion, taking all the above factors into account, the council would commend that the LGBCE consider recommending a size of 43, as the analysis demonstrates that this will still allow the council to take decisions effectively, manage the business and responsibilities of the council successfully, and provide effective community leadership and representation.

Taunton Deane Borough – At a Glance

The following section provides the local context of Taunton Deane including issues and challenges particular to the borough. These issues have been considered when setting the future direction within this Business Plan.

Geography

The borough of Taunton Deane is mainly rural with a Population of 110,000, largely concentrated in the County town of Taunton and in Wellington. The borough covers 462 sq km of outstanding landscape, extending from the Somerset Levels along the River Tone, with the Quantock hills to the north and the Blackdown hills to the South.

The main centres of population are Taunton (66,000) and Wellington (13,000). The borough also has major rural centres at Wiveliscombe and Bishops Lydeard and a number of minor rural centres and smaller villages.

Demographics: The age profile of Taunton Deane shows an under-representation in 20-39 year olds compared to the England average but a much higher proportion of over 65s which is expected to increase by a further 69% to 2030. There is also expected to be a big increase in the number of over 90's during the same time period

Health: When compared nationally, we enjoy good standards of health in Taunton Deane, although our average life expectancy is slightly lower than the other Districts. Deprivation is a key factor to health and average life expectancy varies by 10 years (75 to 85) between the most deprived and least deprived wards, with significant differences in prevalence of circulatory diseases, lung cancer and liver disease.

Deprivation: We have one neighbourhood in the most deprived 5% in the country and a further three in the most deprived 10% in the country. Although issues of deprivation are experienced across the Deane, these are concentrated in North Taunton, Taunton East and parts of Wellington.

Economy – residents are well qualified compared to elsewhere in Somerset and nationally. Employment rates are high, although long-term unemployment of young people is high and worsening. Growth areas are currently in private education and health sectors. 39% of the workforce are in the public sector.

Businesses – Two thirds of businesses employ fewer than 5 people. In recent years, the number of business 'births' has decreased whilst business 'deaths' has increased. Since 2009, business deaths outnumber births.

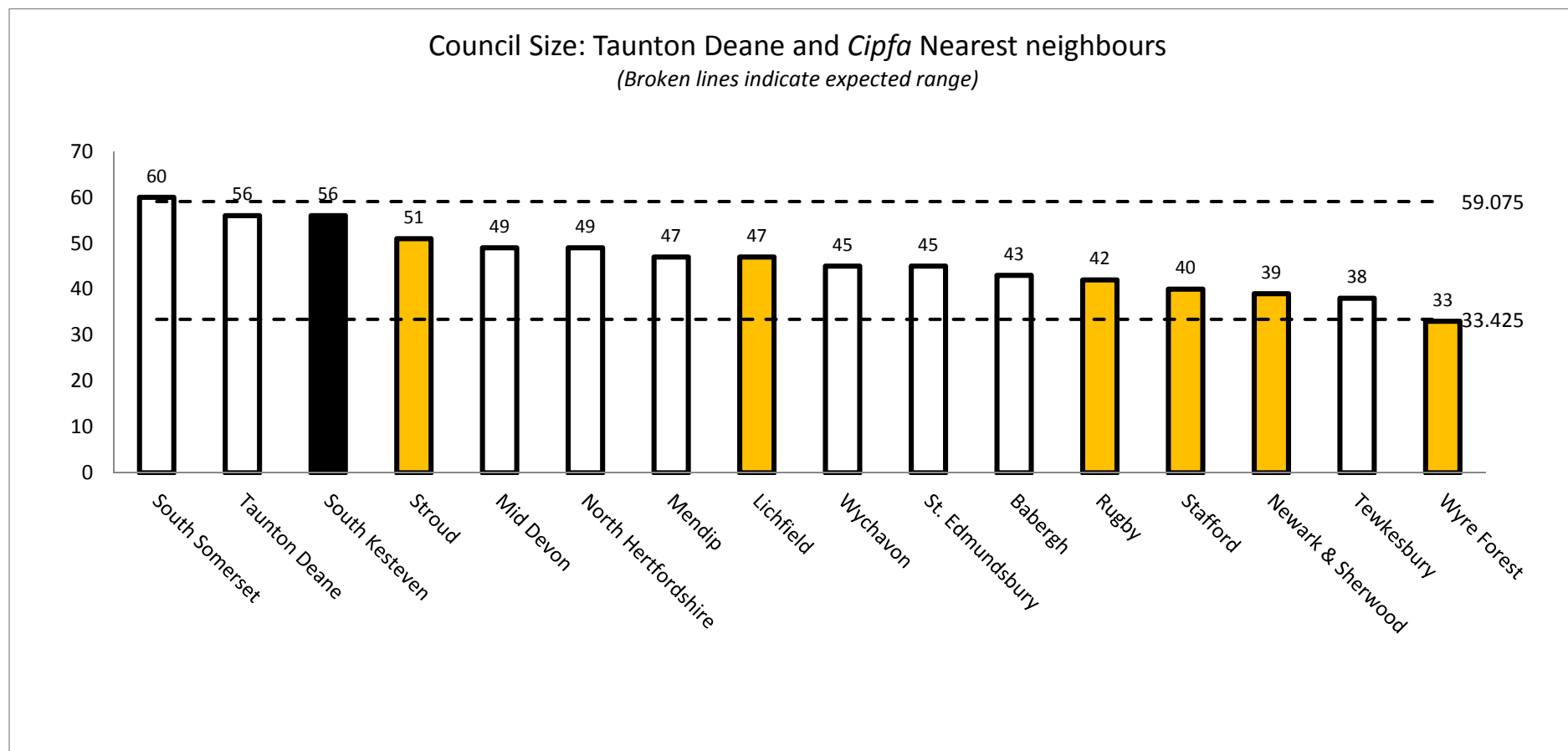
Housing – Average weekly earnings are lower than County and national average, whereas house prices are high meaning that affordability is an issue. 10.7% of households are on our housing register – the highest proportion in Somerset. We currently have nearly 3,500 households on the housing register.

Private Sector Housing – This accounts for around 85% of stock, although an estimated 41% do not meet the Decent Homes Standard and 25% of occupants live in fuel poverty.

Homelessness – We are seeing an increase in the number of people for whom we have an accepted duty of homelessness.

Growth: – we are an identified area for accommodating growth previously through being a Principle Urban Area and then a National Growth Point. Our Core Strategy was found 'sound' and has employment-led plans for 17,000 new homes and 11,900 new jobs by 2028. The main area of growth is Monkton Heathfield and we have a major town centre regeneration programme including a strategic employment site at Firepool and plans to improve Taunton's retail offer. As with other parts of the country, we have struggled recently in our regeneration ambitions due to the challenging economy.

Hinkley C: - The proposed expansion of Hinkley Point nuclear power station is expected to impact on housing with an influx of workers. This will create an opportunity to attract workers and affiliated businesses to locate in Taunton Deane and spend within the local economy. However it will also create an upward pressure on rent levels and a reduction in available supply. This is expected to be exacerbated by the Welfare Reform plans and result in increased homelessness applications and pressure on benefits. We are working with EDF to find solutions to mitigate this.



Authorities shaded in Gold have been reviewed by the Commission since 2010. The council size numbers shown for each are those determined by those respective reviews.

Potential number of electors per ward in 2021

	Dec-15
Number of councillors	56
Overall electorate	79,647
Average electorate per cllr	1,422

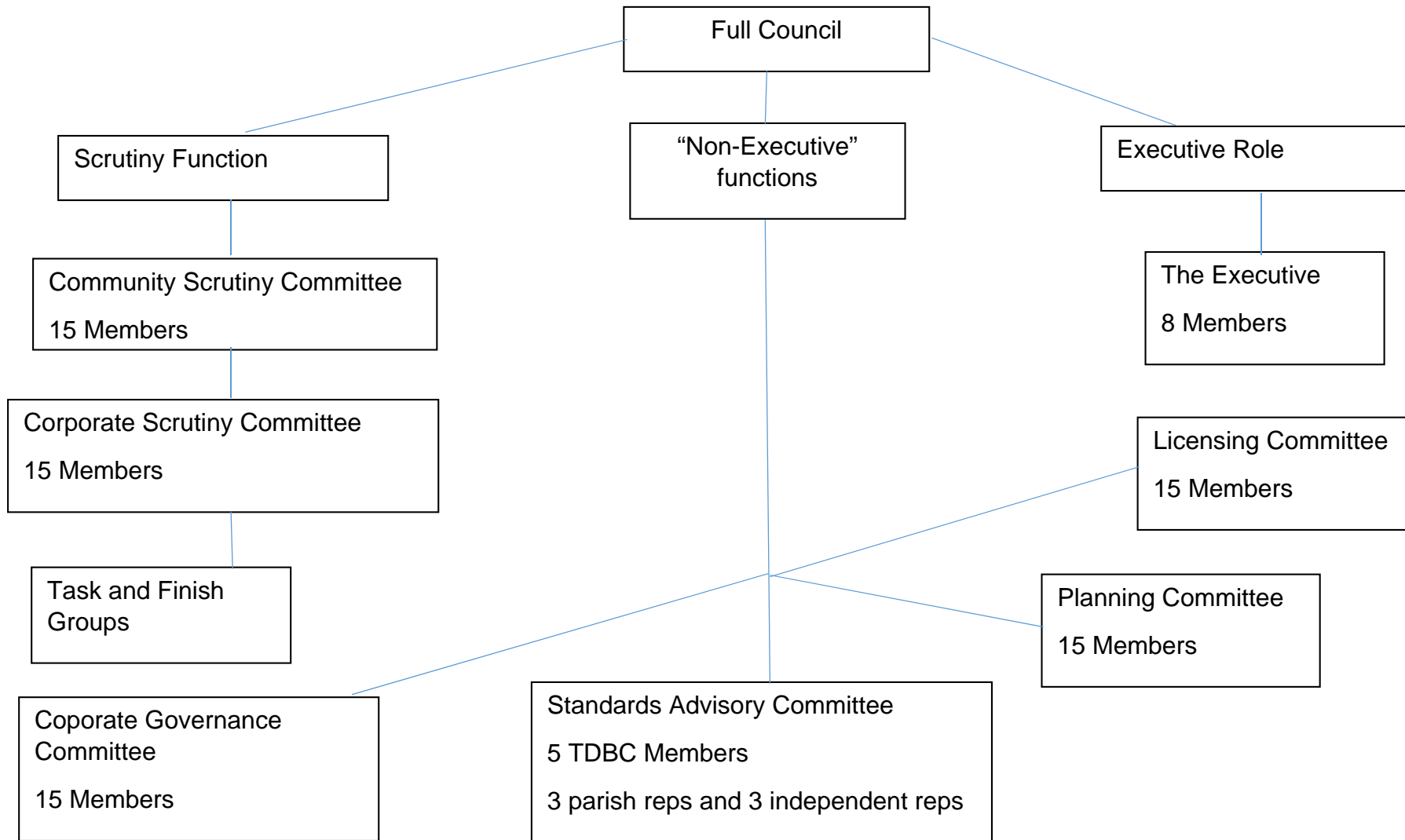
Important note:

The table below does not take in to account type of housing, size of dwellings. The data has not been calibrated with ONS population projections. The housing trajectory (the source of projected additional dwellings) is currently being updated.

Name of ward	Number of cllrs per ward	No of electors ¹	% variance ²	Projected additional dwellings ³	Adjustment for moves within TDBC ⁴	Potential additional voters ⁵	Potential Ward Total 2021 ⁶	% variance ¹
Bishops Hull	2	3,190	12%	70	28	48	3,238	14%
Bishops Lydeard	3	4,538	6%	299	120	198	4,736	11%
Blackbrook and Holway	3	4,303	1%	47	19	27	4,330	2%
Blackdown	1	1,754	23%	20	8	14	1,768	24%
Bradford on Tone	1	1,829	29%			0	1,829	29%
Comeytrove	3	4,244	-1%			0	4,244	-1%
Eastgate	2	2,697	-5%	152	61	67	2,764	-3%
Fairwater	3	4,107	-4%	210	84	111	4,218	-1%
Halcon	3	3,873	-9%	87	35	46	3,919	-8%
Killams and Mountfield	2	2,890	2%	210	84	146	3,036	7%
Lyngford	3	3,797	-11%	436	174	222	4,019	-6%
Manor and Wilton	3	4,014	-6%				4,014	-6%
Milverton and North Deane	1	1,643	16%	20	8	13	1,656	16%
Monument	1	1,707	20%				1,707	20%
Neroche	1	1,787	26%				1,787	26%
North Curry and Stoke St Gregory	2	2,424	-15%	75	30	50	2,474	-13%
Norton Fitzwarren	2	2,104	-26%	402	161	215	2,319	-18%
Pyrland and Rowbarton	3	4,248	0%				4,248	0%
Ruishton and Creech	2	3,180	12%	122	49	80	3,260	15%
Staplegrove	2	3,015	6%	913	365	592	3,607	27%
Trull	1	1,518	7%	815	326	524	2,042	44%
Wellington East	2	2,943	3%	571	228	289	3,232	14%
Wellington North	2	2,783	-2%	419	168	247	3,030	7%
Wellington Rockwell Green and West	3	4,522	6%	52	21	31	4,553	7%
West Monkton	3	3,621	-15%	2,090	836	1,207	4,828	13%
Wiveliscombe and West Deane	2	2,916	3%	163	65	103	3,019	6%
TOTAL	56	79,647		7,173	2,869	4,231	83,878	

No of electors ¹	Source: TDBC electoral register 01 Dec 2015
% variance ²	Formula taken from Electorate proforma supplied by LGBCE
Projected additional dwellings ²	Source: TDBC Housing Trajectory January 2016, however it is currently being updated
Adjustments for moves within TDBC ⁴	40% of projected additional dwellings. Source: TDBC SHMA 2009 calculates that 60.2% of household moves are within the Borough. 2011 Census analysis gives a national figure of 59%. Further analysis required to determine a TDBC figure from the 2011 Census data.
Potential additional voters ⁵	Calculated by multiplying the additional number of dwellings by the average number of electors per property for that ward, as at Dec 2015. See Tab: Dec 2015 Ward Property_Electors for breakdown figures.
Potential Ward Total 2021 ⁶	Number of electors as at Dec 2015 plus potential additional voters.

TDBC Committee Structure



Taunton Deane Borough Council – 56 Members

Member	Group	Position
Cllr M Hill	Liberal Democrat	Chairman and Mayor of Taunton Deane
Cllr V Stock-Williams	Conservative	Deputy Mayor
Cllr J Adkins	Conservative	
Cllr M Adkins	Conservative	
Cllr T Aldridge	UKIP	
Cllr T Beale	Conservative	
Cllr P Berry	Conservative	
Cllr J Blatchford	Conservative	
Cllr R Bowrah, BEM	Conservative	
Cllr W Brown	Conservative	
Cllr N Cavill	Conservative	
Cllr S Coles	Liberal Democrat	
Cllr W Coombes	Conservative	
Cllr D Cossey	Conservative	
Cllr T Davies	Conservative	
Cllr D Durdan	Conservative	
Cllr K Durdan	Conservative	
Cllr C Edwards	Conservative	
Cllr M Edwards	Conservative	
Cllr H Farbahi	Liberal Democrat	
Cllr M Floyd	Liberal Democrat	
Cllr J Gage	Conservative	
Cllr E Gaines	Independent	
Cllr A Govier	Labour	
Cllr A Gunner	Conservative	
Cllr R Habgood	Conservative	
Cllr T Hall	Conservative	
Cllr C Herbert	Conservative	
Cllr C Hill	Conservative	
Cllr J Horsley	Liberal Democrat	
Cllr J Hunt	Conservative	
Cllr G James	Conservative	
Cllr R Lees	Liberal Democrat	
Cllr S Lees	Liberal Democrat	
Cllr L Lisgo, MBE	Labour	
Cllr S Martin-Scott	Conservative	

Cllr I Morrell	Independent
Cllr S Nicholls	Liberal Democrat
Cllr R Parrish	Conservative
Cllr H Prior-Sankey	Liberal Democrat
Cllr J Reed	Conservative
Cllr S Ross	Independent
Cllr R Ryan	Conservative
Cllr F Smith	Liberal Democrat
Cllr Miss F Smith	Liberal Democrat
Cllr P Stone	Liberal Democrat
Cllr A Sully	Conservative
Cllr N Townsend	Conservative
Cllr C Tucker	Conservative
Cllr J Warmington	Conservative
Cllr P Watson	Conservative
Cllr D Webber	Conservative
Cllr D Wedderkopp	Liberal Democrat
Cllr J Williams - Leader of the Council	Conservative
Cllr G Wren	Conservative

Appointments

Executive Members:

Cllr T Beale – Housing Services
 Cllr P Berry – Environmental Services & Climate Change
 Cllr M Edwards – Business Development & Asset Management & Communications
 (Deputy Leader)
 Cllr R Habgood – Planning Policy & Transportation
 Cllr C Herbert – Sports, Parks and Leisure
 Cllr R Parrish – Corporate Resources
 Cllr J Warmington – Community Leadership
 Cllr J Williams – Leader of the Council

Standards Advisory Committee

Cllr J Adkins
 Cllr T Davies
 Cllr E Gaines
 Cllr Miss F smith
 Cllr G Wren

Tenant Services Management Board

Cllr R Bowrah
Cllr S Coles

Community Scrutiny Committee Members

Cllr S Coles – Chairman
Cllr L Lisgo, MBE – Vice-Chairman
Cllr J Adkins
Cllr J Blatchford
Cllr D Cossey
Cllr T Davies
Cllr C Edwards
Cllr M Floyd
Cllr S Martin-Scott
Cllr H Prior-Sankey
Cllr R Ryan
Cllr N Townsend
Cllr P Watson
Cllr D Webber

Constitutional Sub-Committee Members

Cllr W Brown
Cllr J Horsley
Cllr S Ross
Cllr V Stock-Williams

Co-ordinating Scrutiny Committee Members

Cllr S Coles
Cllr L Lisgo, MBE
Cllr F Smith
Cllr Miss F Smith

Corporate Governance Committee Members

Cllr V Stock-Williams – Chair
Cllr J Blatchford – Vice-Chair
Cllr N Cavill
Cllr S Coles
Cllr D Cossey
Cllr A Govier
Cllr T Hall
Cllr J Hunt
Cllr R Lees
Cllr R Ryan
Cllr Miss F Smith
Cllr A Sully
Cllr C Tucker
Cllr D Webber
Cllr D Wedderkopp

Licensing Committee Meetings List

Cllr K Durdan – Chair
Cllr G James – Vice-Chairman

Cllr J Adkins
Cllr W Brown
Cllr T Davies
Cllr C Edwards
Cllr M Floyd
Cllr J Gage
Cllr A Gunner
Cllr J Hunt
Cllr S Lees
Cllr S Nicholls
Cllr S Ross
Cllr Miss F Smith
Cllr A Sully

Planning Committee Members

Cllr R Bowrah, BEM – Chairman
Cllr S Coles – Vice-Chairman
Cllr M Adkins
Cllr W Brown
Cllr M Floyd
Cllr J Gage
Cllr C Hill
Cllr S Martin-Scott
Cllr I Morrell
Cllr S Nicholls
Cllr J Reed
Cllr N Townsend
Cllr P Watson
Cllr D Wedderkopp
Cllr G Wren

Full Council - 5
actual
attendance

Party	Committee	Actual	Possible	%	Subs	attendance
C	Community Scrutiny Licensing Standards	4	8	63	1	4
C	Corporate Scrutiny Planning	18	19	100	1	5
UKIP						5
C	Executive	5	7	71		4
C	Executive	7	7	100		5
C	Community Scrutiny Corporate Governance	4	7	57		3
C	Planning	10	12	83		4
C	Licensing Planning	14	14	100		5
C	Corporate Governance Corporate Scrutiny	7	9	78		3
Lib. Dem.	Community Scrutiny Corporate Governance Planning	19	19	100		5
C	Corporate Scrutiny	5	7	86	2	5
C	Corporate Governance Community Scrutiny	2	7	28		2
C	Community Scrutiny Licensing Standards	10	10	100		3
C						4
C	Licensing	1	1	100		3
C	Community Scrutiny Licensing	4	6	83	1	5
C	Executive	4	7	57		5
C						4
Lib. Dem.	Community Scrutiny Licensing Planning	15	19	100	4	2
C	Licensing Planning	9	14	76	2	5
Ind.	Corporate Scrutiny Standards	7	7	100		5
Lab.	Corporate Scrutiny					5
C	Corporate Scrutiny Standards	5	8	63		4
C	Executive	7	7	100		5
C	Corporate Governance Corporate Scrutiny	7	9	89	1	5
C	Executive	4	7	57		3
C	Planning	9	12	100	3	4
Lib. Dem.						5
Lib. Dem.	Corporate Scrutiny	6	7	100	1	4
C	Corporate Governance Licensing	3	4	75		5

C	Corporate Scrutiny Licensing	8	9	89		5
Lib. Dem.	Corporate Governance Corporate Scrutiny	5	9	100	4	5
Lib. Dem.	Licensing		2	50	1	4
Lab.	Community Scrutiny	3	5	60		4
C	Community Scrutiny Planning	13	17	100	4	4
Ind.	Planning	12	12	100		5
Lib. Dem.	Licensing Planning	10	12	100	2	5
C	Executive	6	7	85		5
Lib. Dem.	Community Scrutiny	5	5	100		4
C	Corporate Scrutiny Planning	13	19	84	3	4
Ind.	Licensing		1	100	1	2
C	Communtiy Scrutiny Corporate Governance	5	7	100	2	5
Lib. Dem.	Corporate Governance Corporate Scrutiny Licensing Standards	11	12	92		5
Lib. Dem.	Corporate Scrutiny	5	7	100	2	5
C	Corporate Governance Corporate Scrutiny	6	7	100	1	4
Lib. Dem.						5
C	Corporate Governance Licensing	3	4	75		5
C	Community Scrutiny Planning	17	17	100		5
C	Corporate Governance Corporate Scrutiny	8	9	89		3
C	Executive	7	7	100		5
C	Community Scrutiny Planning	15	17	100	2	5
C	Community Scrutiny Corporate Governance	7	7	100		2
C	Corporate Governance Planning	10	14	79	1	3
C	Executive	7	7	100		5
C	Corporate Scrutiny Planning Standards	14	20	80	2	4

	Actual	Possible	Subs
C	423	523	41
L	230	294	28
Lib.Dem	3	5	
Ind	76	92	14
	19	20	1

Article 5 Chairing the Council

5.1 The Mayor

The councillor elected to fulfil the role of chairing meetings of the Borough Council shall have the title of "Mayor". The Mayor is elected by the Council annually.

5.2 Role and Function

The Mayor (and in his or her absence- the Deputy Mayor) shall have the following roles and functions:-

- (a) to be the first citizen of the Borough and to represent and symbolise the Council on all formal and ceremonial occasions;
- (b) to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
- (c) to preside over meetings of the Council so that its business can be carried out efficiently and having full regard to the rights of councillors and the interests of the community;
- (d) to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and where (in addition to the Overview and Scrutiny Committees) members- who are not on the Executive - are able to hold the Executive to account;
- (e) to promote public involvement in the Council's activities;
- (f) to attend such civic and ceremonial functions as the Council and he/she determines appropriate; and
- (g) to use the powers created elsewhere in this Constitution for the resolution of disputes and, in exceptional cases, where approval of urgent action is needed.

Article 6 The Executive

6.1 Role

The Executive will carry out all of the Council's functions which are not the responsibility of any other part of the Council, whether by law or under this Constitution.

6.2 Form and composition

The Executive will consist of the Leader, Deputy Leader and six councillors ("Executive Councillors") appointed to the Executive by the Leader with the agreement of the controlling Party Group or Groups.

6.3 Leader

The Leader will be a councillor elected to that position by the Full Council. Subject to the exceptions in Article 6.5 below, the Leader will hold office for the duration of his/her four year term which will be extended until the Annual Meeting after the election where his/her successor will be appointed.

6.4 Deputy Leader

The Leader must appoint a Deputy Leader from one of his members of the Executive. The Deputy Leader, unless he resigns as Deputy Leader or ceases to be a member of the authority, is to hold office until the end of the term of office of the Executive Leader. The Leader may, if he/she thinks fit, remove the Deputy Leader from office.

Where a vacancy occurs in the office of Deputy Leader, the Leader must appoint another executive member in his place.

If for any reason the Leader is unable to act or the office of Leader is vacant, the Deputy Leader must act in his/her place.

If for any reason:

- (a) the Leader is unable to act or the office of Leader is vacant, and
- (b) the Deputy Leader is unable to act or the office of Deputy Leader is vacant, the Executive must act in the Leader's place or must arrange for a member of the Executive to act in his place.

6.5 Term of Office- Exceptions

Events which will result in the Leader's term of office ending prematurely are:-

- (a) he or she resigns from the office; or

- (b) he or she is suspended from being a councillor (under Part III of the Local Government Act 2000); or
- (c) he or she is no longer a councillor; or
- (d) he or she is removed from office by special resolution of the Council (using the procedure set out in Article 6.9.

6.6 Other Executive members

Other Executive members shall hold office until:-

- (a) the happening of any of the events set out in Article 6.5; or
- (b) they are removed from office by the Leader who must give written notice of any removal to the Chief Executive and to the Executive Councillor. The removal will take effect two working days after receipt of the notice by the Chief Executive.

6.7 Proceedings of the Executive

Proceedings of the Executive shall take place in accordance with the Executive Procedure Rules set out in Part 4 of this Constitution.

6.8 Responsibility for functions

(a) The Executive

It shall be the function of the Executive meeting together to design and allocate Portfolios to each of their number.

(b) The Leader

It will be the duty of the Leader to:-

- (1) Redefine, clarify and update the list of these Portfolios set out in Part 3 of this Constitution.
- (2) Similarly note the names of those Executive Councillors to whom those portfolios have been allocated by him/her.
- (3) Note those Executive functions which have been similarly allocated to the officers, to any Area Committees or to joint arrangements.

6.9 "Special Resolution"

This is the process referred to in 6.5 and 6.6 above whereby - in exceptional circumstances- the Leader or a member of the Executive may be removed by full Council.

Article 2 Members of The Council

2.1 Who are your Councillors?

(a) **Composition.** The Council is made up of 56 members or councillors. One or more of these councillors is elected by the voters of each of our 26 wards. Our current warding map- which dates from May 2007- (see Part 8) was drawn up by the independent Boundary Committee and approved by the Secretary of State. The sizes of electorates in these wards are regularly reviewed by the Boundary Committee to make sure that all voters are fairly represented.

(b) **Eligibility.** Only registered voters of the Borough or those living or working here are legally eligible to hold the office of councillor.

2.2 Election and terms of councillors

(a) The regular election of councillors is held every four years- 2007, 2011 etc. Sometimes a seat will become vacant, leading to a by election being held.

(b) Details of the current 56 councillors and the wards they represent are set out in Part 8 of this Constitution .

2.3 Roles and functions of all councillors

(a) Key roles

All councillors are expected to:-

- (i) collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions;
- (ii) contribute to the good governance of the area and actively encourage community participation and the involvement of local people in decision making;
- (iii) effectively represent the interests of their ward and of individual constituents;
- (iv) respond to constituents' enquiries and representations ,fairly and impartially;
- (v) participate in the governance and management of the Council;
- (vi) maintain the highest standards of conduct and ethics .

(b) **Rights and duties**

- (i) Councillors have legal rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions.
- (ii) Councillors will not make public any information, which is either "confidential" or "exempt", without the consent of the Council, nor will they divulge information given in confidence to anyone - other than to a councillor or officer entitled to know it.
- (iii) For these purposes, "confidential" and "exempt" information have special meanings, which are defined in the Access to Information Rules in Part 4 of this Constitution.

(c) **Conduct**

Councillors must at all times observe the Members' Code of Conduct and the protocol on Member/Officer Relations set out in Part 5 of this Constitution.

(d) **Allowances**

Councillors are entitled to receive allowances in accordance with the Members' Allowances Scheme set out in Part 6 of this Constitution.

List of Outside Bodies

Body	Member Appointed
Blackdown Hills Joint Advisory Committee	Cllr Mrs Charlotte Edwards
Brewhouse Theatre	Cllr Norman Cavill
Cycle Somerset	Cllr Roger Habgood
Friends of Konigslutter	Cllr Dave Durdan
Friends of Vivary Park	Cllr Terry Hall
Hestercombe Gardens Trust	Cllr Mrs Marcia Hill
Hinkley Point Site Stakeholder	Cllr Roger Habgood
Local Government Association General Assembly	Cllr Roger Habgood Cllr Mrs C Herbert
Parrett Catchment Project Management Committee	Cllr Gwil Wren
Parrett Internal Drainage Board	Cllr Dave Durdan Cllr Phillip Stone
Quantock Hills Joint Advisory Committee	Cllr Nick Townsend
Safer Somerset Partnership	Cllr Mrs Jane Warmington
Somerset Armed Forces Community Covenant Champion	Cllr Bob Bowrah
Somerset Biodiversity Steering Group	Cllr Gwil Wren
Somerset Health and Wellbeing Board	Cllr Mrs Vivienne Stock-Williams
Somerset Levels and Moors Leader Executive Group	Cllr Dave Durdan
Somerset Playing Fields Association	Cllr Dave Durdan
Somerset Primary Care Trust	Cllr Richard Parrish
Somerset Public Transport Forum	Cllr Roger Habgood

Somerset Rivers Authority	Cllr John Williams Cllr Norman Cavill
Somerset Waste Board	Cllr Patrick Berry Cllr Steve Ross
Somerset Water Management Board	Cllr Dave Durdan
Somerset Waterways Committee	Cllr Dave Durdan
South West Audit Partnership Board	Cllr Mrs Julia Blatchford Cllr Vivienne Stock-Williams
South West Councils Employers Panel	Cllr Richard Parrish
South West Councils Membership	Cllr John Williams
Taunton Deane Bowling Club	Cllr Terry Hall
Taunton Heritage Trust	Cllr Terry Hall Cllr Ms Libby Lisgo

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
MON								1				
TUES		2 Community Scrutiny 6:15 pm	1 Comm Scrutiny 6:15					2 Corporate Scrutiny AS 5:30 pm			1 Community Scrutiny 6:15 pm	
WED			2 Licensing 6:15 pm				1 Licensing Committee 6:15 pm	3			2 Planning 5:00 pm	
THUR		4 Constitutional Sub-Committee 11:00 am Executive 6:15 pm	3 Taunton Unparished Area Advisory Panel 6:00 pm				2 Corporate Scrutiny 6:15 pm	4 Executive 6:15 pm	1 Constitutional Sub-Committee 11:00 am Co-ordinating Scrutiny 5:30 pm		3	1 Constitutional Sub-Committee 11:00 am Co-ordinating Scrutiny 5:30 pm
FRI	1 Bank Holiday	5	4	1		3	1	5	2		4	2
SAT	2	6	5	2		4	2	6	3	1	5	3
SUN	3	7	6	3	1	5	3	7	4	2	6	4
MON	Executive AS 5:30pm	8	7	4	2 Bank Holiday	6	4	8	5	3	7	5
TUES	5 Community Scrutiny 6:15 pm	9 Corporate Scrutiny Agenda Setting 5:30pm Informal Council 6:30pm	8	5 Community Scrutiny 6:15 pm	3 Co-ordinating Scrutiny 5:30 pm Tenant Services Managem't Board 6 pm	7 Corp Gov AS 11 am Comm Scrutiny 6:15pm	5 Standards Committee 2:30 pm	9	6 Corp Gov AS 11 am Standards 2:30 pm	4 Council 6:30 pm	8 Corporate Scrutiny Agenda Setting 5:30pm	6 Corporate Governance 6:15 pm
WED	6 Planning 5:00 pm	10	9 Executive 6:15 pm	6 Planning 5:00 pm	4	8	6	10 Planning 5:00 pm	7 Taunton Unparished Area Adv Panel 6 pm	5	9 Executive 6:15 pm	7 Planning 5:00 pm
THUR	7 Members' Briefing 6:15 pm	11 Co-ord Scrutiny 5:30pm	10	7 Members' Briefing 6:15 pm	5 PCC ELECTION	9 Executive 6:15 pm	7 Executive 6:15 pm	11 Corporate Scrutiny 6:15 pm	8 Executive 6:15 pm	6 Executive 6:15 pm	10	8 Corporate Scrutiny 6:15 pm
FRI	8	12	11	8	6	10	8	12	9	7	11	9
SAT	9	13	12	9	7	11	9	13	10	8	12	10
SUN	10	14	13	10	8	12	10	14	11	9	13	11
MON	11	15	14	11 Executive AS 5:30 pm	9	13	11 Corporate Scrutiny Agenda Setting 5:30pm	15	12	10	14 Tenant Services Managem't Board 6pm	12
TUES	12 Corporate Scrutiny AS 5:30 pm Members' Briefing 6:15 pm	16	15 Standards Committee 2:30 pm	12 Council 6:30 pm	10 Corporate Governance Agenda Setting 11:00 am	14 Corporate Scrutiny AS 5:30 pm	12 Council 6:30 pm	16	13 Corp Scrutiny AS 5.30	11 Corporate Scrutiny AS 5:30 pm	15 Standards Committee 2:30 pm	13 Council 6:30 pm
WED	13	17	16 Planning 5:00 pm	13	11	15	13 Planning 5:00 pm	17	14	12 Planning 5:00 pm	16 Licensing 6:15 pm	14 Tenant Services Managem't Board 6pm
THUR	14 Corporate Scrutiny 6:15 pm	18 Community Scrutiny Agenda Setting 5:30pm Corp Scrutiny 6:15 pm	17	14 Community Scrutiny Agenda Setting 5:30pm	12 ANNUAL COUNCIL 6.30 pm	16 Community Scrutiny Agenda Setting 5:30pm	14 Community Scrutiny Agenda Setting 5:30pm	18 Community Scrutiny Agenda Setting 5:30pm	15 Community Scrutiny Agenda Setting 5:30pm	13	17 Community Scrutiny Agenda Setting 5:30pm Corporate Scrutiny 6:15	15 Community Scrutiny Agenda Setting 5:30pm
FRI	15	19	18	15	13	17	15	19	16	14	18	16
SAT	16	20	19	16	14	18	16	20	17	15	19	17
SUN	17	21	20	17	15	19	17	21	18	16	20	18
MON	18	22	21 Corporate Governance 6:15 pm	18	16	20 Armed Forces Day	18	22 Tenant Services Managem't Board 6 pm	19 Corporate Governance 6:15 pm	17	21 Corporate Governance AS 11 am Executive AS 5:30 pm	19
TUES	19 Standards Committee 2:30 pm	23 Corporate Governance AS 11 am Council 6:30 pm	22 Corporate Scrutiny Agenda Setting 5:30pm	19 Corporate Scrutiny Agenda Setting 5:30pm	17	21 Corporate Governance 6:15 pm	19	23	20 Tenant Services Managem't Board 6 pm	18	22	20
WED	20	24 Planning 5:00 pm	23	20	18	22 Planning 5:00 pm	20	24 Licensing 6:15 pm	21 Planning 5:00 pm	19	23 Planning 5:00 pm	21
THUR	21 Community Scrutiny Agenda Setting 5:30pm Corp. Scrutiny 6:15 pm	25 Tenant Services Managem't Board 6 pm	24 Comm Scrutiny AS 5.30	21 Executive 6:15 pm	19 Constitutional Sub-Committee 11:00am	23 Corporate Scrutiny 6:15 pm	21 Corporate Scrutiny 6:15 pm	25 Executive Agenda Setting 5:30 pm	22 Corporate Scrutiny 6:15 pm	20 Community Scrutiny Agenda Setting 5:30pm Corp. Scrutiny 6:15 pm	24	22
FRI	22	26	25 Bank Holiday	22	20	24	22	26	23	21	25	23
SAT	23	27	26	23	21	25	23	27	24	22	26	24
SUN	24	28	27	24	22	26	24	28	25	23	27	25
MON	25 Executive AS 5:30 Tenant Services Managem't Board 6 pm	29 Executive AS 5:30 pm	28 Bank Holiday	25	23	27 Executive Agenda Setting 5:30 pm Tenant Services Managem't Board 6 pm	25 Executive AS 5:30 pm Tenant Services Managem't Board 6 pm	29 Bank Holiday	26 Executive Agenda Setting 5:00 pm	24 Tenant Services Managem't Board 6pm	28 Community Scrutiny 6:15 pm	26 Bank Holiday
TUES	26 Special Council 6.30		29	26 Community Scrutiny 6:15 pm	24 Standards 2:30 pm Corp Scrutiny AS 5.30 Corp. Governance 6:15	28 Community Scrutiny 6:15 pm	26	30 Community Scrutiny 6:15 pm	27 Community Scrutiny 6:15 pm	25	29 Corporate Scrutiny Agenda Setting 5:30pm	27 Bank Holiday
WED	27 Planning 5:00 pm		30	27 Planning 5:00 pm	25 Planning 5:00 pm	29 Members' Briefing 6:15	27 Comm Scrutiny 6:15pm	31 Planning 5:00 pm	28	26	30 Executive 6:15 pm	28
THUR	28		31 Corporate Scrutiny 6:15 pm	28 Corporate Scrutiny 6:15 pm	26 Comm Scrutiny AS 5.30	30	28		29 Members' Briefing 6:15	27		29
FRI	29			29	27		29		30	28		30
SAT	30			30	28		30			29		31
SUN	31				29		31			30		
MON					30 Bank Holiday					31 Executive AS 5.30		
TUES					31 Executive AS 5.30 Tenant Services Managem't Board 6 pm							

School Holidays are highlighted in yellow. AS = Agenda Setting PAG = Policy Advisory Group (not open to press or public) AP = Area Panel March meeting of Tenant Services Management Board – date TBC

Section 4 Delegations to Executive Councillors and Officers

7.1 Principle 1

The overriding principle upon which the Council's Delegation Scheme is founded is:-

All the Council's statutory powers and duties in relation to the functions and activities (listed in the following table) are delegated to the Executive and from there (as shown) to the Leadership Team. Those listed include all such incidental and ancillary powers as are needed in order to carry out those functions together with all statutory powers delegated to the Executive by another Local Authority by virtue of an agreement under the Local Government Acts.

The consequent powers to make all operational decisions as to the Council's services are delegated to the Head of Paid Service, to the S.151 Officer and the Monitoring Officer (these are referred to as the "statutory officers"), together with the Directors and the Assistant Directors (the "Leadership Team"), so long as the decision:-

- (a) falls within the Council's Policy Framework; and
- (b) is otherwise within our approved policies; and
- (c) complies with the law, Financial Regulations, Standing Orders, Contract Standing Orders and the other controls within this Constitution; and
- (d) is wholly in accordance with the budget for the current and following year, and
- (e) has not been disapproved by any of the "statutory officers"; and
- (f) has not been the subject of a request from the responsible Executive Councillor for the decision to be remitted to the Executive.

7.2 Principle 2

Even where a statutory power has been delegated, the delegatee still retains a discretion as to how the decision is to be taken. Either:-

- (a) to deal with it him/herself;
- (b) to "remit" the decision - "upwards" (that is - in order to seek endorsement of a proposed decision) -in the case of "executive matters" to the Executive, or in the case of a non-executive matter to the Council or to the Planning Committee or to an Overview and Scrutiny Committee ;
- (c) to further delegate that power;
- (d) to consult others before exercising the power;
- (e) to take the decision jointly with other Executive CounCillors or officers.

7.3 Principle 3

It is expected that, within these delegations, the officers will keep Executive Councillors fully briefed as to the services for which they are responsible and that they will consult with the relevant Executive Councillor on issues where either believe that this is needed. Built upon this foundation, It is anticipated that this will mean that a number of otherwise delegated decisions will, in practice, be taken either by, or in consultation with, the Executive Councillor where s/he believes the matter to be one of particular sensitivity or corporate significance.

7.4 Principle 4

So as to avoid any misunderstandings as to the exercise of these powers, each member of the Leadership Team will agree with the appropriate Executive Councillor a general approach towards the working arrangements they intend to adopt between them as to:-

- (a) service briefing;
- (b) decision-making;
- (c) consultation with the Executive Councillor;
- (d) the scope for joint decisions;
- (e) the way those decisions will be formally recorded.

7.5 Principle 5

Any further general delegation of specific statutory powers by Corporate Management Team to an officer under Principle 2 shall be made in writing and shall record its extent and any limitations on the exercise of those powers.

A copy of any such delegation shall be provided to the Monitoring Officer who, as "proper officer", when so required has the duty to formally certify the existence and validity of those statutory powers, in any legal proceedings, or to sign formal agreements on the Council's behalf giving effect to those decisions.

7.6 Within these principles the following table lists the range of functions for which all the Council's statutory powers and duties are delegated to the Executive and thence to the Leadership Team. The table shows the current services portfolios, each of which is held by an Executive Councillor as responsible for the overall policy direction for that service. The table also shows the "lead officer" who is primarily responsible for the delivery of that service. Any limits upon the delegations to the officers (other than those listed above) are shown here.

(Note: Both the extent of the portfolio held by an Executive Councillor and the identity of the "lead officer" are subject to change at the discretion of the Leader and the Chief Executive respectively. The electronic version of this Constitution will show the position as is then current.)

9.10 Terms of Reference for the Overview and Scrutiny Committees

Community Scrutiny Committee

To examine the issues that impact on all segments of the community in respect of all services delivered by the Council and/or other public bodies or partnerships;

To examine the performance and management of the Council's services in delivering the Corporate Strategy;

To undertake consideration of the achievement of value for money in partnership working;

To develop policies and initiatives to provide the service delivery needed by community and the promotion of neighbourhood renewal;

To encourage public participation in assessing the standards and level of service desired by the community and the performance of the Council in achieving the desired outcomes for its service delivery;

To consider such decisions of the Executive as are within the remit of the committee and have been called-in by Members;

To review or scrutinise decisions made, or other action taken, in connection with the discharge of the Council's crime and disorder functions and to make such reports or recommendations as deemed appropriate.

Corporate Scrutiny Committee

To examine the planning, performance and management of the Council's services in undertaking the key tasks to achieve the objectives of the Corporate Strategy priorities including monitoring compliance with budget, achievement

of desired outcomes and customer satisfaction (where appropriate), best value and value for money reviews;

To monitor the Council's financial performance and allocation of all resources in accordance with the corporate plan priorities, and the management of its assets and capital programme;

To assess the attainment of performance measurements and overall performance of the Council in achieving the aspiration of the community it serves;

To consider such decisions of the Executive as are within the remit of the committee and have been called-in by members;

To consider matters which have come to the committee's attention.

9.11 Co-ordinating Scrutiny Committee

This committee shall consist of the chairman and vice chairman of each of the Overview and Scrutiny committees and shall meet on a quarterly basis or as deemed necessary. The Committee shall also invite the Proper Officer and Leader of the Council to these meetings.

The purpose of these meetings is to manage the Forward Plan for both committees to ensure that there is an even distribution of work. Where a matter for consideration by an Overview and Scrutiny Committee also falls within the remit of another Overview and Scrutiny committee the decision as to which Overview and Scrutiny Committee will consider it will be resolved by this committee in consultation with the Proper Officer.

New Councillor Induction Programme 2015

Taunton Deane Borough Council

All sessions will be held in the John Meikle Room, The Deane House unless otherwise stated

- Tuesday, 12 May- 1.30 p.m. to 4 p.m.- **Welcome session-** Introduction to the Council by the Joint Chief Executive and the other members of the Joint Management Team (To include the background to the Sharing of Services). "If I knew then what I know now"Re-elected Councillors to share some of their experiences with newly appointed Members. Mock Council Meeting. Issue of Information Packs/Photographs for IDbadges/Members IT.
- Wednesday, 13 May-6.15 p.m. – **The Corporate Strategy of the Council and its Financial Position.**
- Friday, 15 May – 2 p.m. – **A brief introduction to the Council** – Its Committee Structure, Procedures including Scrutiny, the Mayoralty, the Constitution, the Members' Code of Conduct and reputational issues.
- Monday, 18 May- 6 p.m. - **The Role of a Councillor-** Outside facilitator to cover the roles and responsibilities of the new Councillor- The same session is being offered at West Somerset House on Tuesday, 19 May at 10.30 a.m. (both open to all new Councillors)- so if the Monday evening session is not convenient, feel free to come along to the Williton session.
- Wednesday, 20 May- 6.30 p.m.- **Annual Council Meeting** at the Somerset County Cricket Club, Priory Bridge Road, Taunton.
- Thursday, 21 May – 6.15 p.m.- **The Role of a Councillor on the Planning Committee** - *Mandatory training for all new Councillors appointed to the Planning Committee. The same session is being offered at West Somerset House at 2.30 p.m. (both open to all new Councillors appointed to one of the Planning Committees) – so if the evening session is not convenient, feel free to come along to the Williton session.
- Tuesday, 2 June- 5.30 p.m. – **Licensing Training** for Members of both Councils at The Deane House- to coincide with the scheduled meeting of the TDBC Licensing Committee. *This too is essential training for all new Councillors appointed to the Licensing Committee.

- Friday, 19 June- Essential Skills for the 21st Century Councillor- Taster Day- See flyer attached. This event, being arranged by South West Councils, promises to be a very useful and informative day. Interest in this Taster Day will be sought after the elections, to enable a booking to be made.
- June Onwards (Dates to be agreed) :-
 - An introduction to Local Government Scrutiny
 - Audit Training -facilitated by the South West Audit Partnership Ethical Governance -Code of Conduct; Disposable Pecuniary Interests and other Interests; Standards Committee ; Freedom of Information; Data Protection; Fraud and Corruption; Whistleblowing
 - Risk Management; Dealing with Conflict
 - Equalities and Diversity; Health and Safety Briefing Growth and Development
 - ICT
 - Service Planning Social
 - Media
 - Development of Local Plans
 - Safeguarding Training
 - Getting Things Done; Casework Partnership
 - Working
 - The Taunton Unparished Area
 - Tour of the District (including a visit to West Somerset House in Williton)

Ethical Governance Training for the Parish

Local Government Boundary Review Taunton Deane

The review of Taunton Deane Borough Council is due to be implemented at the 2019 Council Elections

The timetable for this is submission of electoral data forecasts etc. and submission of draft council size proposals by 29th April 2016.

Formal submission of draft council size proposals by 6th May to be agreed at Council size meeting on 21st of June 2016.

Draft recommendations published 8th November consultation between 8th November and 9th January 2017.

Final recommendations published 14th March 2017 and order laid April 2017.

Council size is the starting point in any electoral review since it determines the average number of electors per Councillor to be achieved across all wards of the authority.

TDBC have the third largest number of cllrs in the CIPFA nearest neighbour's comparison. South Somerset have 60. We and South Kesteven have 56, Mendip have 47 and mid Devon 42.

We are aiming to get to low 40s.

The LGBC are requiring us to show the council will be able to continue to perform its responsibilities with the number of cllrs we propose. These responsibilities are scrutiny and quasi-government like licensing, planning etc.

We expect an average of about 10 on committees down from 15 each.

Some of our cllrs currently do not have any committee responsibility and some only attend others that meet infrequently e.g. licensing. This would seem to imply we have too many cllrs.

The LGBC require details of our community roles outside the Council, so the PFH will be asked to supply this information and to know about PFH roles

Officers will draw up warding proposals.

The LGBC are required to take into account changes to the number and distribution of electors likely to take place within five years following the end of the review. The end of our review is March 2017 so the design date is March 2022. So it is this date our forecasts of electors should be based on.

Broadly the LGBC will look at the governance arrangements of the Council how it takes decisions across the broad range of its responsibilities, including scrutiny functions and the Council's responsibilities to outside bodies and the representational role of Councillors in the local community.

Record of Decisions	
Since May 15	12 months, Jan – Dec 2015
40	66

Executive agenda items			
Since May 15		12 months, Jan – Dec 15	
May	No Meeting - elections	January	3
June	1	February	6
July	4	March	4
August	No Meeting	April	No Meeting
September	4	May	No Meeting - elections
October	5	June	1
November	5	July	4
December	6	August	No Meeting
January 2016	No meeting	September	4
February 2016	7	October	5
		November	5
		December	6

21/03/2016, Report:Corporate Counter-Fraud Progress Update
Reporting Officers:Heather Tiso

21/03/2016, Report:Electoral Review of TDBC
Reporting Officers:Bruce Lang

21/03/2016, Report:Grant Thornton - Certification Report
Reporting Officers:Peter Barber,Kevin Henderson

21/03/2016, Report:Grant Thornton - Audit Update
Reporting Officers:Peter Barber,Kevin Henderson

21/03/2016, Report:Grant Thornton - Audit Plan
Reporting Officers:Peter Barber,Kevin Henderson

21/03/2016, Report:SWAP Internal Audit - Progress Report
Reporting Officers:Alastair Woodland

21/03/2016, Report:SWAP Internal Audit - Audit Plan
Reporting Officers:Alastair Woodland

21/03/2016, Report:Refresh of Anti-Fraud Policy - Council Tax Penalties
Reporting Officers:Heather Tiso

21/03/2016, Report:Corporate Risk Update
Reporting Officers:Paul Harding

21/03/2016, Report:Proposed Changes to TDBC Constitution
Reporting Officers:Bruce Lang

24/05/2016, Report:Review of Financial Regulations
Reporting Officers:Jo Nacey

24/05/2016, Report:Corporate Governance Action Plan
Reporting Officers:Paul Harding

24/05/2016, Report:Summary of Overdue Level 4/5 Actions
Reporting Officers:Paul Harding

21/06/2016, Report:Grant Thornton - External Audit Fees
Reporting Officers:Peter Barber,Kevin Henderson

21/06/2016, Report:Grant Thornton - External Audit Update
Reporting Officers:Peter Barber,Kevin Henderson

21/06/2016, Report:SWAP Internal Audit - Annual Opinion
Reporting Officers:Alastair Woodland

21/06/2016, Report:Review of Effectiveness of Internal Audit
Reporting Officers:Jo Nacey

21/06/2016, Report:SWAP Internal Audit - Audit Plan 2015/16 Outturn

Reporting Officers:Alastair Woodland

19/09/2016, Report:Health and Safety Six Monthly Update

Reporting Officers:Catrin Brown

19/09/2016, Report:Grant Thornton - External Audit Findings

Reporting Officers:Peter Barber,Kevin Henderson

19/09/2016, Report:Approval of the Statement of Accounts

Reporting Officers:Jo Nacey

19/09/2016, Report:Corporate Risk Update

Reporting Officers:Paul Harding

19/09/2016, Report:Corporate Governance Action Plan

Reporting Officers:Paul Harding

19/09/2016, Report:SWAP Internal Audit - Progress Report

Reporting Officers:Alastair Woodland

19/09/2016, Report:Summary Report on Overdue Level 4/5

Reporting Officers:Paul Harding

19/09/2016, Report:Review of Financial Regulations

Reporting Officers:Jo Nacey

06/12/2016, Report:Grant Thornton - Annual Audit Letter

Reporting Officers:Peter Barber,Kevin Henderson

06/12/2016, Report:Grant Thornton - External Audit Update

Reporting Officers:Peter Barber,Kevin Henderson

06/12/2016, Report:SWAP Internal Audit - Progress Report

Reporting Officers:Alastair Woodland

20/03/2017, Report:Health and Safety Six Monthly Update

Reporting Officers:Catrin Brown

Report:Draft Annual Governance Statement

Reporting Officers:Paul Harding

Corporate Governance Committee – 21 March 2016

Present: Councillor Mrs Stock-Williams (Chairman)
Councillors Mrs Blatchford, Coles, Hall, R Lees, Sully, Mrs Tucker and Ms Webber.

Officers: Bruce Lang (Assistant Chief Executive and Monitoring Officer), Shirlene Adam (Director – Operations, Deputy CEO and s151 Officer), Heather Tiso (Revenues and Benefits Manager) and Emma Hill (Democratic Services Officer)

Also Present: Councillor Berry
Peter Barber - Associate Director, Grant Thornton
Kevin Henderson – Audit Manager, Grant Thornton
Ian Baker - Director, South West Audit Partnership (SWAP)
Nick Hammacott – Investigation Manager, South West Counter Fraud Partnership (SWCFP)

(The meeting commenced at 6.15 pm)

1. Apologies/Substitutions

Apologies: Councillors Govier, Hunt, Ryan and Miss Smith.
Substitution: Councillor Gage for Councillor Ryan.

2. Minutes

The Minutes of the Meeting of the Corporate Governance Committee held on 7 December 2016 were taken as read and were signed.

3. Declaration of Interests

Councillor Coles declared a personal interest as a Member of Somerset County Council. Councillor Hall declared a personal interest as a Director of Southwest One.

4. The Proposed Changes to TDBC Constitution

Members considered the report previously circulated, concerning changes which were being proposed by the Constitutional Sub-committee to the Council's Constitution. The proposed changes would provide greater clarity to timescales by which certain motions/amendments/questions were to be submitted in advance of Council meetings and provide sufficient time for any relevant research/analysis to be undertaken prior to the meeting in question.

The present clauses were somewhat ambiguous and did not always allow sufficient time for the necessary preparation work to be undertaken by Officers.

The Constitutional Sub-Committee had a standing item on its agenda to consider any potential suggested changes to items in the Constitution that could improve/facilitate efficient and effective governance of the Council.

At a meeting held on 27 November 2015 the Constitutional Sub-Committee considered three detailed proposals. These proposed changes affected the following areas of the constitution:-

- Notices of Motion Clause 4 (2) – detailed the notice period required in order to have a Notice of Motion. This included in the summons to a Council meeting.
- Amendments, Clause 6 (6) – detailed the deadline for any proposed amendments to the proposed budget.
- Questions from Councillors Clause 14 (2) – detailed the deadline for Councillors to submit written notice of any questions they wish to ask at Full Council

The Members of the Sub-Committee took the view that, by agreeing to these changes, it would both provide greater clarity for those Members who wish to submit motions/amendments/questions and provided sufficient time for answers to be prepared, which should be of benefit to all parties concerned.

Members were provided with a table detailing the current wording with the Constitution and proposed changes to those sections as appendix with the covering report.

During the discussion of this item the following points were made:-

- Concerns were expressed over the short length of time taken to research and propose the changes to the sections of the constitution.

Resolved:-

1. The officer's report be noted.
2. The proposed amendments to the Constitution be recommended for approval by Full Council.

5. Electoral Review of TDBC

Members considered the report previously circulated, concerning the context for the process and timetable associated with the Electoral Review (ER) of the Taunton Deane Borough Council (TDBC) area, which was to be undertaken by the Local Government Boundary Commission for England (LGBCE).

The LGBCE agreed in 2013 that there should be an electoral review of TDBC. The review was triggered as 42% of wards, currently had 10% more or fewer electors in them than the average for the authority.

The last review of TDBC's electoral arrangements was undertaken in 2006 when it was agreed to increase the council size from 54 to 56 members and to make some adjustment to the warding patterns.

The first task for the Council in this process was to consider authorising an agreed submission to the LGBCE on the size of the Council.

Following an introductory meeting with LGBCE, they commenced their work with briefings for TDBC Members, officers and parish councils in February 2016.

The first formal stage of the process was for the LGBCE to make a proposal regarding the size of wards and number of Elected Members. This included an opportunity for TDBC to submit its own proposal for consideration. The deadline to do this was by 6 May 2016 and so the intention was for any recommendation to go from this Committee to full Council on 12 April 2016.

The LGBCE would consider all submissions on Council size and then issue their recommended option after 21 June 2016. Following this there would be a period of consultation from 28 June 2016 until 5 September 2016. There would be a further opportunity to submit proposals and it might be necessary to schedule a special meeting of council to meet this deadline.

The LGBCE would issue their draft recommendations on 8 November 2016 and allow a period for consultation until 9 January 2017. The final recommendations would be made on 14 March 2017 with an order then being laid in Parliament with any new electoral arrangements coming into force for the May 2019 local elections.

It had been agreed that the sub-committee should lead on co-ordinating the work in TDBC to support this process and had already had progress reports at its November 2015 and February 2016 meetings. Officers had commenced work on providing the latest electoral data and developing electoral forecasts for the middle of 2022 as requested by the LGBCE.

There were two distinct parts to an ER:-

1. The consideration by the Council of its future size, which refers to the number of elected members required for effective conduct of council business corporately and by individual Members.
2. The consideration of new polling districts and, in turn, new ward boundaries.

All Group leaders were contacted and requested to submit any proposals or views in regard to the size of the council and a representation was received from the Conservative Group, which suggested that consideration be made to aiming for a figure in the early 40s, which would represent a reduction from the current figure.

This representation was generally considered to be in the right area and that there was merit in exploring an option in this quantum. This was then circulated to all political groups for comment and officers had continued to work on documenting current and proposed governance arrangements and fine tuning the electorate forecasts.

This work resulted in the draft submission, which was considered at the meeting of the sub-committee held on 4 March 2016 and following further refinement a draft submission was recommended for consideration by this Committee.

During the discussion of this item the following points were made:-

- Concerns were expressed about the percentage of the public and voters who did not have access to or wished to use a computer or the internet. Had this been taken into account? There would always be the need for the Council to take into account that a percentage of people would need help with or were

without computers. This would mean a minimum requirement for non-internet based Council Services to be available.

- Discussion took place relating to the percentage of contact Elected Members received from the residents within their Wards. It was felt by some Members with high levels of deprivation in their wards, that the contact from the public was more face to face rather than via email.
- Looking at Appendix Five, Corporate Scrutiny Committee was missing from the list.
- Discussion took place relating to what was included in the Electoral Review, the current proposed revised Elected Members numbers and what would happen if TDBC and WSC were to merge as Local Authorities. Members were given reassurance that they would be kept up to date with any progress made with Electoral Review and that the review was looking at TDBC current boundaries and did not include any possible merge with WSC.

Resolved that:-

1. The officer's report be noted.
2. Full Council be recommended to approve the draft submission with amendments be submitted to the LGBCE in respect of Council size.

6. Grant Thornton External Audit – Grant Claim Certification Report

Members discussed the letter previously circulated by email on 13 January 2016, which informed Members of the Corporate Governance Committee of the Council's Annual Audit Letter, which summarised the key findings arising from the work that had been carried out for the year ended 31 March 2015.

The key messages were:-

- The Housing Benefit claim for the financial year 2014/15 relating to subsidy of £32.3 million had been certified
- One other claim outside of the PSAA arrangements relating to the Pooling of Housing Capital Receipts return was certified. This claim was not referred to in this letter as it falls outside of the PSAA arrangements.
- A small number of issues arose from our certification work that resulted in an amendment to the claim and the issuing of a qualification letter.
- The External Auditors were satisfied that the Council had appropriate arrangements in place to compile a complete, accurate and timely claim for audit certification.
- The indicative Housing Benefit certification fee for 2014/15 for the Council was based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer required certification had been removed.
- The final fee for 2014/15 of £10,390 was the same as the indicative scale fee set by the Audit Commission.
- The fee for the Pooling of Housing Capital Receipt was separately agreed with the management of the Council.

A copy of the letter sent to Member of the Committee was attached as part of the agenda.

During the discussion of this item the following points were made:-

- In response to a question on the length of time taken to complete this sort of Audit, the Committee was informed that Auditors were not able to give any detail of the precise length of time for this particular but it could take up to 40 days to complete.
- Auditors had very complex and detailed testing that must be completed during an audit. There were five modules to be worked through and the size of an audit might be affected by what had been found during the audit from the previous year.
- Discussion took place regarding the External Auditor's fixed fees, how these were set and that they were not affected by the amount of work or how long the work took to complete.

Resolved that the Auditor's Letter be noted.

7. Grant Thornton External Audit – Audit Update

Members considered the report previously circulated, concerning a regular update report for Members by our external auditors, Grant Thornton. Specifically the report provided an update in relation to their work for the 2015/16 financial year and also provided an update in relation to emerging national issues.

The report updated Members on the status, progress and completed work in relation to the auditor's planned schedule of work, year ending 31 March 2016. The Auditors completed risk assessments in the prescribed audit work areas. If any risks came out of the assessment process, the Auditor's would look into those risks and the area in further detail.

In addition, this report updated Members on any national headlines and issues that might have an impact upon the Council.

During the discussion of this item the following points were made:-

- In response to a question regarding when the Actuary's next review of the Council's Pension contributions and how the Council would deal with the any short would fall highlighted during that review, the Committee was informed that this was due to be complete by the Actuary this summer.

Resolved that the update provided be noted.

8. Grant Thornton External Audit – Audit Plan 2015/16

Members considered the report previously circulated, concerning the External Audit Plan for 2015/16. This was prepared by our external auditors, Grant Thornton.

The Auditor's report summarised their approach to the 2015/16 audit programme, provided information on the work already undertaken, the tasks yet to be completed, the timescales and the auditors view on risk.

The audit work required related to the preceding financial year (2015/16). Specifically this audit work focused on the provision of an audit opinion in relation to the accounts, value for money (VFM) and associated key risks.

A copy of the plan for 2015/16 was attached with the covering report.

During the discussion of this item the following points were made:-

- Concerns were expressed over what the auditors considered to be trivial amount when deciding not to report errors and the set amount of £80,000 would not be considered by the residents of Taunton Deane.
- Members were reassured that the Auditors understood that no amount of money was trivial but a level must be set for reporting errors concerning money.

Resolved that the External Audit Plan for 2015/16 received from Grant Thornton be noted.

9. SWAP Internal Audit – Internal Audit Plan 2015/16

Members considered the report previously circulated, concerning the 2015-16 Annual Audit Plan. This provided independent and objective assurance on TDBC's Internal Control Environment. This work would support the Annual Governance Statement.

This report summarised the work of the Council's Internal Audit Service and provided details of any new significant weaknesses identified during internal audit work completed since the last report to the committee in December 2015 as well as a schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these.

A copy of the Internal Auditor's Progress Report for 2015/16 was attached as an appendix with the covering report.

During the discussion of this item the following points were made:-

- Concerns were expressed over those audits with a partial assurance at the end of Quarter four 2015/16 and that Member would be monitoring the updates going into 2016/17 to monitor their outcome. Members were reassured that those audits with a partial assurance would be included in next year's planned works and Members would be kept up to date on their progress.

Resolved to note the progress made in delivery of the 2015/16 internal audit plan and significant findings since the previous update in December 2015.

10. SWAP Internal Audit – Internal Audit Plan 2016/17 and Audit Charter

Members considered the report previously concerning the introduction of the Internal Audit Plan for 2016/17 and the incorporated Internal Audit Charter, which set out the operational relationship between TDBC and the South West Audit Partnership (SWAP).

The internal audit plan for 2016/17 was set out as an attached appendix with the covering and the Auditors confirmed that the plan focussed on key risks areas. This was a flexible plan that could be amended during the year to deal with shifts in priorities.

The Internal Audit Plans for TDBC had been discussed and supported by the Councils Joint Management Team.

SWAP, the Council's Internal Audit Service worked to a Charter, which defined its roles and responsibilities and the roles and responsibilities of the Borough's managers as they relate to internal audit. Best practice in corporate governance required that the Charter be reviewed and approved annually by the Committee. The Charter had been amended and approved by the Committee in March 2015.

A copy of the amended Internal Audit Charter was attached as an appendix with the covering report.

During the discussion of this item the following points were made:-

- In response to a question relating to when the listed follow up audits would be completed, the Committee was informed that these would be completed six months after the initial audit actions were raised with the service.

Resolved that:-

1. The Officer's report be noted
2. The Internal Audit Plan for 2016/17 be approved
3. The Internal Audit Charter be approved.

11. Update on Corporate Counter Fraud

The Committee considered presentation previously circulated, concerning an update on Corporate Counter Fraud by the South West Counter Fraud Partnership (SWCFP). The partnership provided an investigation service for South Somerset District Council (SSDC), Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC).

The Investigation Manager from SWCFP gave an information presentation to Members detailing the work and progress of the partnership. Below was a summary of the information presented to the Committee:

- Service Level Arrangement with all partners
- Ongoing work in relation to Data Protection protocol and Investigation Work Plan.
- The partnership had two staff going through specific training for this position.
- Targeted financial savings across all partners at end of the year was £88.7k.
- The Council contribution was £20k and the financial based on the contribution were £44.3k
- There had been no financial savings achieved to date.
- There had been 20 allegations of fraud as well as six active investigations.

- SWCFP had created a proactive work plan, which was for resourcing purposes but would remain flexible throughout the year responding to service demand and need.
- The officers collected data sets from a variety of sources such as creditors, council tax, electoral roll and licensing.
- Analysis of the data allowed officers to identify peaks, troughs, anomalies and trends to investigate cases of fraud.
- SWCFP had completed Fraud Awareness sessions with Elected Members and staff.
- Council Tax Single Person Discount (CTAX SPD) - Currently the partnership is actively comparing data sets such as licensing, housing and electoral roll with those receiving CTAX SPD to investigate fraud in this area. This was currently done at SSDC but we were looking to introduce into TDBC.

During the discussion of this item the following points were made:-

- Discussion relating the specified partnership and individual authority financial savings as well as the partnership funding sources. The overall cost of the partnership was £112k with the majority funded by Department for Communities and Local Government (DCLG)
- In response to a question regarding the cost to the Council for this service, the Committee was informed that TDBC's contribution to the partnership was £20k per year and the Council financial savings target was £44.3k for the first year.
- Discussion relating to the cross referencing of data sets used at SSDC in the investigation of fraud within Council Tax Single Person Discount.
- In response to a question regarding whether or not the partnership investigate fraudulent sub-letting, the Committee was informed that they did investigate this.
- Discussion regarding other external sources for evidence gathering including credit history.
- In response to a question relating to the inclusion of a naming and shaming policy for those who commit fraud, the Committee was informed that it was included but the Council had to be mindful to pick the right cases to do this with.

Resolved that the SWCFP Information Update be noted.

12. Anti-Fraud and Corruption Policy and Strategy – Council Tax Penalties

Members considered the report previously circulated, concerning the refresh of the Anti-Fraud and Corruption Policy and Strategy to recognise South West Counter Fraud Partnership (SWCFP's) anti-fraud activities, as well as updating for procedural changes.

The policy now provided guidance on the available options to deal with those committing Council Tax or Council Tax Support fraud or those who negligently make incorrect statements, or fail to notify a change affecting their entitlement to a Council Tax discount, exemption or reduction.

Responsibility for benefit fraud passed to the Department for Work and Pensions through the formation of the Single Fraud Investigation Service, in June 2015. From August 2015, the South West Counter Fraud Partnership (SWCFP) had delivered a Corporate Anti-Fraud service, providing a full counter fraud function for

the Council.

Attached to the covering report for the Committee's attention were copies of the Revised Anti-Fraud and Corruption Policy and Strategy, Whistle-blowing Policy, Anti-Bribery Policy and Anti-Money Laundering Policy.

The revision and update of the Anti-Fraud and Corruption Policy and Strategy was in recognition of changes since its introduction in 2014 and to reflect current best practice and guidance. This was key in assisting in the on-going improvement of fraud prevention controls and in detecting and investigating fraud committed against the Council. The Whistle-blowing, Anti- Bribery and Anti-Money Laundering Policies had been updated where necessary.

This guidance would provide information to residents on when penalties would be imposed as well as ensuring consistency for officers imposing the penalties. It was therefore proposed to implement the power to impose penalties upon the approval of the policy.

During the discussion of this item the following points were made:-

- Members commented that the Council should consider mass prosecution of fraud cases similar to those prosecuted for a lack of TV Licence. Grouping together prosecution of those cases, I could save money .In response to a question relating to the inclusion of advertising the Council's new approach to dealing with those who commit fraud and including the penalties, the Committee was informed that the Council had issued information with the 2016/17 Council Tax bill to the residents of Taunton Deane concerning the new approach.

Resolved that:-

1. The Officer's report be noted.
2. The Executive Committee be recommended to approve the draft revised Anti-Fraud and Corruption Policy and Strategy.
3. The Executive Committee recommended to approve the introduction of penalty charges to assist in the prompt and accurate assessment of Council Tax liability.

13. Verbal Update on Corporate Risk Management

The Director for Operations updated the Committee stating that a full update report on Corporate Risk Management would be presented to Members at the Committee Meeting in May 2016.

Resolved that the change to the agenda and the forward plan be noted.

14. Corporate Governance Committee Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

The Director of Operations informed the Committee that the Report on the Review of the Financial Regulations would not be ready would need to be moved to the September 2016 meeting.

Resolved that the changes to the Corporate Governance Committee Forward Plan be noted.

(The meeting ended at 8.00pm).