

**SWT Audit and Governance
Committee**

**Monday, 13th September, 2021,
6.15 pm**

**Somerset West
and Taunton**

**The John Meikle Room - The Deane
House**

Members: Lee Baker (Chair), Ed Firmin (Vice-Chair), Simon Coles, Hugh Davies, Dawn Johnson, Janet Lloyd, Andy Milne, Martin Peters, Steven Pugsley, Terry Venner and Sarah Wakefield

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous meeting of the Audit and Governance Committee held on 26 July 2021.

(Pages 5 - 10)

To approve the minutes of the previous meeting of the Committee held on 26 July 2021.

3. Declarations of Interest

To receive and note any declarations of disclosable pecuniary or prejudicial or personal interests in respect of any matters included on the agenda for consideration at this meeting.
(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

4. Public Participation

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

Temporary measures during the Coronavirus Pandemic

Due to the temporary legislation (within the Coronavirus Act 2020, which allowed for use of virtual meetings) coming to an

end on 6 May 2021, the council's committee meetings will now take place in the office buildings within the John Meikle Meeting Room at the Deane House, Belvedere Road, Taunton. Unfortunately due to capacity requirements, the Chamber at West Somerset House is not able to be used at this current moment.

Following the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), the council meeting rooms will have very limited capacity. With this in mind, we will only be allowing those members of the public who have registered to speak to attend the meetings in person in the office buildings, if they wish (we will still be offering to those members of the public that are not comfortable in attending, for their statements to be read out by a Governance and Democracy Case Manager). Please can we urge all members of the public who are only interested in listening to the debate to view our live webcasts from the safety of their own home to help prevent the transmission of coronavirus (COVID-19).

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| 5. Audit and Governance Committee Forward Plan
To receive items and review the Forward Plan. | (Pages 11 - 12) |
| 6. Corporate Equalities Action Plan Update | (Pages 13 - 34) |
| 7. Landlord Health and Safety Property Compliance Update Report | (Pages 35 - 48) |
| 8. Internal Audit Plan Progress Update 2021-22 Q1 | (Pages 49 - 66) |
| 9. SWAP Internal Audit - Baseline Assessment of Maturity in relation to Fraud | (Pages 67 - 84) |
| 10. Summary of Level 1 and 2 Internal Audit Actions | (Pages 85 - 94) |



JAMES HASSETT
CHIEF EXECUTIVE

Please note that this meeting will be recorded. At the start of the meeting the Chair will confirm if all or part of the meeting is being recorded and webcast. You should be aware that the Council is a Data Controller under the Data Protection Act 2018. Data collected during the recording will be retained in accordance with the Council's policy. Therefore unless you are advised otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact the officer as detailed above.

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 3 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chair 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 Chair will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

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. Full Council, Executive, and Committee agendas, reports and minutes are available on our website: www.somersetwestandtaunton.gov.uk

The meeting room, including the Council Chamber at The Deane House are on the first floor and are fully accessible. Lift access to The John Meikle Room, is available from the main ground floor entrance at The Deane House. The Council Chamber at West Somerset House is on the ground floor and is fully accessible via a public entrance door. Toilet facilities, with wheelchair access, are available across both locations. An induction loop operates at both The Deane House and West Somerset House to enhance sound for anyone wearing a hearing aid or using a transmitter. For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please email: governance@somersetwestandtaunton.gov.uk

SWT Audit and Governance Committee - 26 July 2021

Present: Councillor Lee Baker (Chair)

Councillors Ed Firmin, Simon Coles, Hugh Davies, Dawn Johnson, Janet Lloyd, Steven Pugsley, Terry Venner and Sarah Wakefield

Officers: Paul Fitzgerald, Jackson Murray, Alison North and John Dyson

Also Present: Councillors Loretta Whetlor

(The meeting commenced at 6.15 pm)

14. Apologies

Apologies were received from Councillors Milne and Peters

15. Minutes of the previous meeting of the Audit and Governance Committee held on 14 June 2021.

(Minutes of the meeting of the Audit and Governance Committee held on 14 June circulated with the agenda)

Resolved that the minutes of the Audit and Governance Committee held on 14 June be confirmed as a correct record.

16. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr L Baker	All Items	Cheddon Fitzpaine & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr H Davies	All Items	SCC	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke and Voted
Cllr A Milne	All Items	Porlock	Personal	Spoke and Voted
Cllr M Peters	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr T Venner	All Items	Minehead	Personal	Spoke and Voted

17. **Public Participation**

There was no public participation.

18. **Audit and Governance Committee Forward Plan**

(Copy of the Audit and Governance Committee Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

Resolved that the Audit and Governance Committee Forward Plan be noted.

19. **External Audit Report on Objection to TDBC 2018/19 Accounts**

The 2018/19 Statement of Accounts for Taunton Deane Borough Council (TDBC), one of the predecessors of Somerset West and Taunton Council (SWTC), was approved by the Audit Governance and Standards Committee on 11 November 2019. The Committee received the external auditor's unqualified audit opinion, which supported the conclusion the accounts presented a true and fair view of TDBC's financial performance and position for the year ended 31 March 2019.

Although the accounts had been approved and published together with the auditor's opinion, as reported at the time, there remained an outstanding matter in respect of an objection to the accounts. This was lodged with the auditor by a local elector, exercising their rights under the Accounts and Audit Regulations 2015, related to redundancy payments. The final notice to close the audit for 2018/19 had not been issued by Grant Thornton LLP pending the review and findings in respect of the objection.

The report presented a summary of the work undertaken by Grant Thornton LLP in response to the Objection, and their conclusions and recommendations.

Grant Thornton LLP had subsequently issued its notices of the conclusion of the audit for both the 2018/19 TDBC Accounts and the 2019/20 SWTC Accounts.

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Although the accounts had been approved and published together with the auditor's opinion, as reported at the time there remained an outstanding matter in respect of an objection to the accounts related to redundancy payments. This was lodged with the auditor by a local elector, exercising their rights under the Accounts and Audit Regulations 2015. The final notice to close the audit for 2018/19 had not been issued by Grant Thornton LLP pending the review and findings in respect of the objection.

Grant Thornton LLP had concluded its review in response to the objection, with a summary of the background, work undertaken, findings and recommendations included in the report.

The external auditor concluded:

- a) He would not issue a Report in the Public Interest
- b) He did not believe the redundancy payments were unlawful and would not be seeking a declaration from the Court to that effect.

There were valuable lessons identified within the recommendations presented by Grant Thornton in the report, which members were requested to note and take into account in any future decision making in respect of redundancies.

During the debate the following comments and questions were raised:-

- There was a statutory right of appeal, the objector had been advised to take legal advice to where they stood under the right of appeal.
- The lack of audit trail was a concern to committee members, that there was no trail of evidence of the decisions made along with some key information retained by the previous Council.

The Audit and Governance Committee:-

1. Noted the summary report and recommendations from Grant Thornton LLP in respect of the Objection to the Taunton Deane Borough Council Statement of Accounts 2018/19.
2. The Committee noted that Grant Thornton LLP gave notice on 21 June 2021 of the Conclusion of the 2018/19 Audit for Taunton Deane Borough Council and of the 2019/20 Audit of Somerset West and Taunton Council.

20. **External Audit Progress Report and Sector Update**

The report provided the Audit and Governance Committee with a progress update regarding the work of the external auditor, Grant Thornton LLP, together with information relating to emerging issues which may be relevant to the Council.

The Council's external audit function is undertaken by Grant Thornton. The external auditors, as part of their work, provide regular progress updates to Members via the Audit and Governance Committee together with updates in relation to emerging national issues which may be of relevance to the Council.

During the debate the following comments and questions were raised:-

- The deadline of the draft benefits return was April which had been received within the deadline.
- Historically identified issues were acknowledged as minor values against a total claim which amounted to millions of the overall budget.
- It was requested if the public information and leadership reports referred to in the report could be circulated to the Committee following the meeting.
- It was questioned if the organisation should be concerned with the lack of candidates being considered for Audit roles. The challenge around recruitment was recognised and this was a challenge across many sectors.
- It was questioned how effective the current Audit and Governance Committee was and what the officer view was in relation to the questioning of the Committee.

The officer's response set out that the Committee engaged in robust and relevant questioning of items that were considered.

- It was considered what areas of questioning would be beneficial in the future to prevent issues arising in relation to the Auditing process and the roles and responsibilities of the committee.

The Audit and Governance Committee considered and noted the Progress Report and Sector Update received from Grant Thornton.

21. **External Auditor Risk Assessment 2020/21 - ISA240 Inquiries of Management**

Grant Thornton LLP as the Council's appointed auditor was responsible for the audit of the accounts for the periods 2019/20 through to 2022/23. As part of their preparation for the 2020/21 audit, Grant Thornton had followed its risk assessment procedures to obtain an understanding of management processes in a number of areas. The report shared the information provided by the Council's management to help inform the risk assessment.

Grant Thornton LLP was the Council's appointed auditor responsible for the audit of the accounts for the periods 2019/20 through to 2022/23.

As part of their preparation for the 2020/21 audit, Grant Thornton LLP had followed its risk assessment procedures to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management
- Fraud
- Laws and Regulations
- Related Parties
- Accounting Estimates

The report shared the information provided by the Council's management to help inform this risk assessment.

The Committee was requested to review the information provided and consider whether it was consistent with its understanding. The Committee were asked to consider whether there were any other comments it wished to make to inform the risk assessment undertaken by Grant Thornton LLP.

During the debate the following comments and questions were raised:-

- Questioning took place around advisors engaged in the 20/21 tax year and the relevance of the costs of these advisors. This was from a financial reporting point of view alongside a value for money point of view. Advisors were usually engaged for specific and complex pieces of work. The Council engaged a number of advisors. The key spends in 2021 were set out above the value of £50k for consideration.
- Advisors were often engaged through a procurement programme and would be part of delegated management arrangements to appoint relevant advisors.
- Pension deficits set out in the report were questioned in relation to former employees. These were former TDBC employees and referred to employees of the previous authority.
- It was recognised by officers that a future item of the Powys counter fraud partnership would be added to the forward plan in due course.

- The risks used as part of the external audit would be captured in the Councils risk register which was a key tool already in place and considered at the Committee.
- The item would be reconsidered at a future meeting of the Audit and Governance Committee but this still needed to be timetabled into the forward plan.

The Committee noted the information provided to Grant Thornton LLP to inform their risk assessment for the 2020/21 audit.

22. **Annual Governance Statement 2020/21**

The Annual Governance Statement (AGS) provided assurance on the governance arrangements and control environment within the Council.

The Accounts and Audit Regulations 2015 set out that 'a relevant authority must, each financial year:

- (a) conduct a review of the effectiveness of the system of internal control; and
- (b) prepare an annual governance statement

The Statement was prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) guidance titled 'Delivering Good Governance in Local Government: Guidance Notes for English Authorities and Framework.'

The Statement had also been prepared taking into consideration the contents of the CIPFA Bulletin 06 – Application of the Good Governance Framework for 2020/21, which concerned the impact of the continuing Covid-19 pandemic on governance arrangements.

The Framework defined the principles that should underpin governance as:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the intervention necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The Annual Governance Statement included an Action Plan to address any governance issues identified as a result of the review of the effectiveness of the system of internal control. Details of the Council's Governance Framework was included as part of the Annual Governance Statement in Appendix A of the report.

In order to ensure that the actions were being delivered it was important the Committee reviewed progress against the Action Plan, and update reports would be brought to the Committee in September and December 2021 and March 2022.

The final version of the Annual Governance Statement would be presented to the Committee at the meeting where the Annual Statement of Accounts were considered in order to make any amendments following the External Audit process.

During the debate the following comments and questions were raised:-

- Recommendations in relation to audits had been added to the recommendation tracker, it was questioned where the tracker was located.
- Although it was recognised that the tracker was considered by the committee on a regular basis, an update of the tracker was requested.
- The whistleblowing policy was questioned, this remained an outstanding action to be communicated.
- Points A-G commitments to good governance were considered, adding inclusiveness and disadvantaged groups was requested to be added in point B. This was Cipfa Guidance and could not be changed. This would be taken away to be considered to see if this could be incorporated more widely as part of the Governance Statement.

That the Committee:

- 1 Approved the draft Annual Governance Statement and Action Plan (Appendix B) for 2020/21.
2. Noted the outturn position for the 2019/20 Action Plan.

(The Meeting ended at 7.10 pm)

	AUDIT AND GOVERNANCE COMMITTEE	
Meeting Date	Draft Agenda Items	Lead Officer
13 September 2021	Equality and Diversity Update	Paul Harding
Report Deadline	Landlord Compliance update	James B/Ian C/Adam Evans
01 September 2021	Internal Audit Plan Progress Update 2021-22 Q1	SWAP (Alastair Woodland)
	Counter Fraud Maturity Overview	SWAP (Alastair Woodland)
	Internal Audit Plan Progress Update 2021-22	SWAP (Alastair Woodland)
	Summary of Level 1 and 2 Audit Actions Progress	Malcolm Riches
27 September 2021	Financial Management Code (to be first on the agenda)	Sian Hedger
Special for SOA	External Audit Findings Report 2020/21	Grant Thornton LLP (Jackson Murray)
Report Deadline	External Auditor's Annual Report 2020/21	Grant Thornton LLP (Jackson Murray)
15 September 2021	Assessment of Going Concern Status	John Dyson
	Approval of Statement of Accounts 2020/21	John Dyson
13 December 2021	Treasury Management Mid-Year Report	John Dyson
Report Deadline	External Audit Progress Report	Grant Thornton LLP (Jackson Murray)
01 December 2021	Internal Audit Progress Report 2021/22 Q2	SWAP (Alastair Woodland)
	Summary of Level 1 and 2 Audit Actions Progress	Malcolm Riches
	Counter-Fraud Update Report	Amy Tregellas
14 March 2022	Internal Audit Plan Progress Update 2021-22 Q3	SWAP (Alastair Woodland)
Report Deadline	Internal Audit Plan and Charter 2022/23	SWAP (Alastair Woodland)
02 March 2022	Capital Investment and Treasury Strategy 2022/23	John Dyson
	External Audit Plan for 2021/22 Accounts	Grant Thornton LLP (Jackson Murray)
	External Audit Risk Assessment 2021/22	Grant Thornton LLP (Jackson Murray)
	External Audit Progress Report	Grant Thornton LLP (Jackson Murray)
	Internal Audit Progress Report 2021/22 Q3	SWAP (Alastair Woodland)
	Summary of Level 1 and 2 Audit Actions Progress	Malcolm Riches
	Local Code of Corporate Governance (or would this go to Standards Committee?)	Amy Tregellas
	Audit and Governance Chair's Annual Report 2021/22	Cllr Baker

Somerset West and Taunton Council

Audit and Governance Committee – 13 September 2021

Corporate Equalities Action Plan Update

This matter is the responsibility of Executive Councillor Member Chris Booth

Report Author: Paul Harding

1. Executive Summary / Purpose of the Report

- 1.1 The purpose of this report is to provide the Committee with an update on progress against the Corporate Equalities Action Plan.
- 1.2 The Action Plan sets out the various actions which the Council alone, or in partnership with others, intend to take to deliver against our agreed Equality Objectives.

2. Recommendations

- 2.1 The Committee is asked to review the Action Plan and note the progress made to date.

3. Risk Assessment (if appropriate)

- 3.1 This Plan helps the Council comply with its duties under the Equality Act 2010 and thereby mitigate the financial, social, and reputational risks associated with non-compliance. It does not however negate the continual requirement for the Council to consider the needs of all individuals who share protected characteristics in our day to day work - in shaping policy, in delivering services, and in how we operate as an employer.

4. Background and Full details of the Report

- 4.1 The Equality Act 2010 (the Act) contains general and specific duties with which all public authorities (such as the Council) must comply.
- 4.2 The general duty requires us not to discriminate against people or groups who share the Protected Characteristics identified within the Act.
- 4.3 The Act identifies Protected Characteristics

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and Belief
- Sex
- Sexual orientation

Locally we have also recognised the following characteristics:

- Carers
- Military status
- Rurality
- Low income

4.4 When public authorities carry out their functions, the Act says they must consciously consider, or think about, the need to do the three things set out below. This is known as the Public Sector Equality Duty.

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- 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.

4.5 Public authorities also have specific duties under the Act to help them comply with the Public Sector Equality Duty. These specific duties include the requirement to prepare and publish equality objectives at least every 4 years. All public bodies, including the Council, are subject to a specific duty within the Equality Act 2010 (the Act) to prepare and publish equality objectives at least every four years.

4.6 For Somerset West and Taunton (SWT), equality objectives were approved in March 2019 by the Shadow Executive for Somerset West and Taunton Council.

4.7 The agreed equality objectives are:

For SWT:

- Councillors and officers will fully consider the equality implications of all decisions they make.
- Those with protected characteristics feel empowered to contribute to the democratic process and any Council activity that affects them; their input is used to inform the planning and delivery of services.
- People with protected characteristics are able to access services in a reasonable and appropriate way.

- Actions are taken to identify and reduce any inequalities faced by our staff or our potential employees.
- Work with communities and voluntary sector groups to address inequalities experienced by low income families and individuals

Plus, jointly as part of the Somerset Equality Officers Group (SEOG):

- Work with Communities to improve the opportunities for integration and cohesion.
- Improve understanding and reduce the stigma of mental health and Disability within and across communities
- Work with the Gypsy and Traveller community to improve relationships and the provision of pitches
- Create an Equality Working group for staff in the Public Sector in Somerset (to be revised to 'Review and where necessary improve recruitment practices to make them more inclusive').
- Improve the consistency of accessibility standards across the Public Sector for service users including the Accessibility Information Standard

4.8 Following the setting of the objectives a Corporate Equality Action Plan was created which set out the actions which SWT alone, or in partnership with others, intend to focus on to deliver against the equality objectives.

4.9 This last year has been productive in terms of equality delivery, either alone or in partnership with others, despite the disruption caused by the pandemic. Some particular highlights are shown below:

- Somerset West and Taunton Council (SWT) has been shortlisted as a finalist for this year's Municipal Journal Achievement Awards in recognition for its work to support neurodiversity in the workplace.
- The SWT website has been independently assessed as the 4th best in terms of accessibility out of 413 public sector websites ([Q2 2021 Sitemorse Index](#))
- SWT Achieved Level 2 (Disability Confident) of the [Disability Confident Scheme](#)
- A joint officer and member equality group is now in place and meeting regularly.
- We have commenced the rollout of Equality Impact Assessment refresher workshops for officers within SWT,
- A Consultation Toolkit has been created and launched within SWT (which highlights the importance of engaging with people with Protected Characteristics).
- SEOG commissioned a service to gain the voice of the Faith and Belief community about support that is needed and opportunities that are available for better integration opportunities
- SEOG commissioned a service to work with the Lesbian, Gay Bisexual and Transgender community about support that is needed and opportunities that are available for better integration opportunities.

- SEOG obtained funding and recruited two Gypsy Liaison officers for Somerset
- SEOG delivered Gypsy and Traveller awareness training to officers across each of the Somerset authorities
- We have agreed arrangements for Black Lives Matter Taunton to deliver an awareness session with members at each Somerset authority (Dec 2021 for SWT).
- SWT supported the creation of the 62-metre-long Rainbow Inclusivity Pathway in Goodlands Gardens Taunton as well as the very successful Taunton Pride event, held on 17 July. The aim is to make Taunton feel more inclusive and welcoming to people who may have felt marginalised in the past.

4.10 The Equality Action Plan has been updated to reflect progress made and is attached at Appendix A, where details of additional progress can be found.

5. Links to Corporate Strategy

5.1 The report links to a statutory duty of the Council.

6. Finance / Resource Implications

6.1 There are no direct unfunded financial/resource implications.

7. Legal Implications

7.1 The Equality Act 2010 places duties and obligations upon the Council. This Action Plan is part of meeting those obligations.

8. Equality and Diversity Implications

8.1 The Corporate Equalities Action Plan is designed to advance the aims of the Public Sector Equality Duty.

9. Social Value Implications

9.1 There is reference to Social Value within the Action Plan.

10. Partnership Implications

10.1 The Action Plan is made up of actions which SWT will work on and deliver alone and

others which will be delivered via the Somerset Equality Officers Group (SEOG)

11. Consultation Implications

- 11.1 The Council's equality objectives were considered in public meetings of the Shadow Scrutiny Committee meeting of 14 March 2019 and the Shadow Executive Committee meeting of 26 March 2019.
- 11.2 A consultation exercise was carried out by SEOG, the County wide group, during September to November 2018 in the production of the joint Corporate Equality Objectives.
- 11.3 At the meeting held on 28 July 2021, the Council's joint member and officer equality group reviewed progress against the Action Plan.

Democratic Path:

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

Reporting Frequency: ☐ **Annually**

List of Appendices (background papers to the report) (delete if not applicable)

Appendix A	Updated Corporate Equality Action Plan
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Contact Officers

Name	Paul Harding
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Somerset West and Taunton Corporate Equality Action Plan (CEAP)

(Progress Status updated at 26/7/2021)

The Equality Act 2010 imposes the following General Duties on Local Authorities to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This Action Plan sets out the actions the Council will take (alone or in partnership with others) to deliver its agreed equality objectives, which in turn support one or more aims of the General Equality Duty.

PART A – SWT Equality Objectives

SWT has **five** equality objectives which were approved by the Shadow Executive for SWT in March 2019

These are:

1. **Councillors and officers will fully consider the equality implications of all decisions they make.**
2. **Those with protected characteristics feel empowered to contribute to the democratic process and any Council activity that affects them; their input is used to inform the planning and delivery of services.**
3. **People with protected characteristics are able to access services in a reasonable and appropriate way.**
4. **Actions are taken to identify and reduce any inequalities faced by our staff or our potential employees.**
5. **Work with communities and voluntary sector groups to address inequalities experienced by low-income families and individuals**

The actions identified, and progress to date, against these objectives are shown in this part of the Action Plan (Part A).

SWT Objective 1		Councillors and officers will fully consider the equality implications of all decisions they make.	
	Action	Action Lead	Progress
1.1	All SWT members to be aware of their responsibilities under the Equality Act 2010	SWT	<p>A member training working group has recently been approved. The group will take on responsibility for identifying and prioritising training and development needs for councillors.</p> <p>An all-member session has been scheduled for December 21 to be delivered by Black Lives Matter Taunton to raise awareness of challenges and inequalities faced by Black and Ethnic Minority people.</p>
1.2	The Performance and Governance team to screen all reports submitted to committee or the Full Council to ensure they are accompanied by an Equalities Impact Assessment (EIA) or include clear reasoning why such an assessment is not required, to ensure that protected groups are not further disadvantaged by the policies, strategies, projects or schemes we adopt.	SWT	Ongoing – part of business as usual.
1.3	Agreed sources of the socio-economic profile of SWT area to be identified/created, promoted and available for all EIAs to ensure consistency.	SWT	Complete - District profiles are available. Presently available from the Business Intelligence team.
1.4	Good practice regarding EIAs to be shared within the council.		In Progress – ‘lunch and learn’ sessions for officers, regarding good practice relating to EIA’s, commenced Jul 2021. Further sessions will take place during the remainder of the financial year.

1.5	Review Learning Pool e-learning equalities and diversity module		Complete
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SWT Objective 2		Those with protected characteristics feel empowered to contribute to the democratic process and any Council activity that affects them; their input is used to inform the planning and delivery of services.	
	Action	Action Lead	Status
2.1	Create a publicly available list of equality community and VCS groups in Somerset.	SEOG	Complete. A list has been created and shared amongst SEOG partners. The list can be accessed by officers via the SWT equalities and diversity Intranet page.
2.2	Introduce capability to allow for greater public participation in council meetings (e.g. live stream and recording of meetings).	SWT	Complete. Live streaming and video recording in place and have been used throughout the pandemic.
2.3	Draft and approve a Statement of Community Involvement for SWT, Stating how SWT will involve all of the community and stakeholders in the preparation, alteration and review of local planning policy and the consideration of planning applications within the Local Planning Authority area., to ensure the specific needs and concerns of particular groups and individuals are captured and considered.	SWT	Complete. Statement approved and adopted.

2.4	Appoint an elected member as a Disability Ambassador.	SWT	In progress . a joint officer and member equality group is in place, focusing on all the protected characteristics, including disability. The Executive has approved the creation of a number of member champions including one for Equalities. Appointments to this role is pending.
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SWT Objective 3		People with protected characteristics are able to access services in a reasonable and appropriate way.	
	Action	Action Lead	Status
3.1	Make training available for SWT frontline staff in deaf awareness.	SWT	Not yet progressed. This action has been impacted by Covid 19.
3.2	Increase the number of our services which are available to access online 24/7	SWT	Ongoing – further online services are now available on our website
3.3	Publish an Accessibility Statement in accord with Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.		Complete Plan published on time. Action plan in place.

SWT Objective 4		Actions are taken to identify and reduce any inequalities faced by our staff or our potential employees.	
	Action	Action Lead	Status
4.1	Achieve at least Level 1: 'Disability Confident Committed'.	SWT	<p>Complete - SWT registered for the Disability Confident scheme Aug 20 . Since then we have been successful in achieving Level 1 and now have reached Level 2 which means we can now use the upgraded branding on all our recruitment and website comms.</p> <p>We are registered on the .Gov website so other organisations can see our status. There is a Level 3 – 'Disability Leader' which SWT can progress to in the future.</p>
4.2	Capture staff equalities information on iTrent to enable workforce profiling by ethnic group, gender, disability, age, religion and sexual orientation, analyse implications of such profiling against community profiling, and publish the results.	SWT	<p>In progress - HR have worked on this and getting staff to complete details on iTrent. however data is not held for all staff (as provision is discretionary).</p> <p>There are standard reports on iTrent for:</p> <ul style="list-style-type: none"> • Age Analysis by Sex • Disability Analysis by Organisation Unit • Ethnic Origin Analysis • Sex Analysis by Ethnic Origin • Sex Analysis by Organisation Unit <p>There is not a standard report available for religion/belief or sexual orientation but a bespoke report could be produced.</p>

4.3	Provide recruitment training that includes avoiding unconscious bias for all staff who may shortlist or interview applicants for jobs at SWT.	SWT	Not yet progressed.
4.4	Monitor dignity and behaviour in the workplace cases (bullying and harassment) against each of the protected characteristics to establish and trends.	SWT	Ongoing
4.5	Mental health support for staff	SWT	In Progress. Lots done to help staff cope during the pandemic, including Mental Health First Aiders in place, Wellbeing Champions, an Employee Assistance Programme (CareFirst), a weekly wellbeing bulletin as well as Resilience Workshops.
4.6	Equalities and diversity training for all staff / monitoring e-learning	SWT	In progress Mandatory e-learning underway.
4.7	Support SWT staff from the EU through Brexit (e.g. settled status awareness and registrations)	SWT	In progress - This was widely covered across the whole organisation and HR are currently supporting one member of staff.

<p>4.8</p> <p>Page 26</p>	<p>Staff 'task and finish groups' – focusing on projects around specific equality issues</p>		<p>Ongoing – Great progress has been made.</p> <p>A project to support neurodivergent needs was initiated by the council's Portfolio Holder for Corporate Resources, Cllr Ross Henley. A working group comprising staff with direct or indirect experience in neurodivergent issues was established to help shape policy and make recommendations for change.</p> <p>The aim of the project was to support staff, customers, Councillors and partners with neurodivergent needs through a review of the council's recruitment processes and by raising awareness through learning and development.</p> <p>Neurodiversity covers a range of conditions including attention deficit disorders, autism, dyslexia, dyspraxia and Tourette's. It is estimated that more than 15 per cent of people in the UK are neurodivergent, meaning they learn and process information differently.</p> <p>SWT has been shortlisted for this year's Municipal Journal Achievement Awards in recognition for this work to support neurodiversity in the workplace. The awards ceremony for the 'Innovation in Building Diversity and Inclusion' category will take place on 17 September.</p>
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SWT Objective 5		Work with communities and voluntary sector groups to address inequalities experienced by low income families and individuals	
	Action	Action Lead	Status
5.1	Draft, approve and implement a Social Value policy to secure wider social, economic and environmental benefits as part of the council's procurement activity.		Completed – Social value strategy included as part of refreshed procurement strategy – approved by Executive March 2021.

PART B – Somerset Equality Officer Group (SEOG) Objectives 2019-2023

In Somerset public bodies have decided to work together on equality and diversity. We are doing this through a partnership called Somerset Equality Officers Group (SEOG). This group is made up of County and District Councils, Somerset Clinical Commissioning Group, Taunton Musgrove and Yeovil Hospitals, Somerset Partnership and Devon and Somerset Fire and Rescue. This document sets out the Equality Objectives that these public bodies have committed to and the actions they will undertake to complete them.

SEOG has five equality objectives. These are:

- 1. Work with Communities to improve the opportunities for integration and cohesion.**
- 2. Improve understanding and reduce the stigma of mental health and Disability within and across communities**
- 3. Work with the Gypsy and Traveller community to improve relationships and the provision of pitches**
- 4. Create an Equality Working group for staff in the Public Sector in Somerset** (to be revised to 'Review and where necessary improve recruitment practices to make them more inclusive').
- 5. Improve the consistency of Accessibility standards across the Public Sector for service users including the Accessibility Information Standard**

The SEOG objectives were created over a 6-month period. Firstly, SEOG pulled together their collective knowledge of areas of work and inequality. They also reviewed evidence and data to establish what this was telling them about local need. This was then used to inform a long list of potential objectives for SEOG to consult with the community on. We did this over a three-month period sharing the objectives with over 150 equality and diversity groups, providing an online consultation and going to four community events. Based on this information we selected 5 objectives that we could collectively contribute towards.

Each member of SEOG has agreed to adopt these 5 collective equality objectives. These we will work together on to achieve a greater impact. These objectives will have joint and individual actions underneath them. SEOG member organisations are also able to adopt their own organisational objectives. For SWT these are set out in Part A of the Plan.

Joint SEOG Objective 1		Work with Communities to improve the opportunities for integration and cohesion.	
	Action	Action Lead	Status
6.1	Continue to support local groups hosting inclusive community events, such as 'Wacky Wednesday' in Wellington and 'Pride in Priorswood' in Taunton.	SWT	Ongoing although impacted by Covid 19 restrictions on large public gatherings.
6.2	Continue to promote and mark special days such as Mental health awareness week, Pride week, Black History Month, Holocaust Memorial Day, Armed Forces Day that support groups and individuals who share protected characteristics	SWT	<p>Ongoing SWT has continued to use its Social Media channels to promote these special days to the public and has used internal newsletters and group emails to promote among staff.</p> <p>Additionally, SWT has supported the creation of the 62-metre-long Rainbow Inclusivity Pathway in Goodlands Gardens Taunton as well as the very successful Taunton Pride event, held on 17 July. The aim is to make Taunton feel more inclusive and welcoming to people who may have felt marginalised in the past.</p>
6.3	Work with the Lesbian, Gay Bisexual and Transgender community about support that is needed and opportunities that are available for better integration opportunities.	SEOG	Completed Research was completed with the community and a service has been commissioned to gain the voice of the community.
6.4	Work with the Faith and Belief community about support that is needed and opportunities that are available for better integration opportunities	SEOG	Completed. Research was completed with the community and a service has been commissioned to gain the voice of the community

6.5	Undertake countywide Faith Audit	SEOG	In Progress - This will be completed through the Interfaith and Belief network recently commissioned and referred to later.
6.6	Review how Somerset Authorities mark Holocaust Memorial Day (HMD). Work with partners to create a larger joint response.	SEOG	In progress - Progress is being made on this action. A joint online and physical event are being planned.
6.7	Work with Hate Crime support organisations, Hate Crime Champions and Community Groups to create a hate crime event in Somerset	SEOG	Not yet started .
6.8	Support the BME Community around creating a Multicultural Forum in Somerset.	SEOG	Completed. Somerset Multi-Cultural Association has been created with representatives from BME groups in Somerset. Work will need to be undertaken on Public Bodies relationship with the Forum.
6.9	Work with ESOL (English for Speakers of Other Languages) providers in Somerset to create a single website to identify all ESOL provision in Somerset	SEOG	Completed A directory has been created and a webpage has been finalised and published English courses for speakers of other languages (somerset.gov.uk) .

Joint SEOG Objective 2		Improve the understanding and reduce the stigma of mental health and disability within and across communities	
	Action	Action Lead	Status
7.1	Signpost sources of mental health support on our website and within our Tenant's Newsletters.	SWT	Ongoing – various social media post and news items on the SWT website have promoted mental health support, particularly during mental health awareness week.
7.2	Use Social Media and SWT staff/Member newsletters to promote Mental Health Awareness Week in May and Time To Talk in February	SWT	Ongoing – as per the above action.
7.3	Deliver mental health awareness training to our front-line staff	SWT	Not yet commenced
7.4	SWT to undertake Council domestic violence self-assessment and implement an action plan.	SWT	<p>In progress - Domestic abuse Policy reviewed and updated in line with Domestic Abuse Act.</p> <p>Domestic abuse action plan is in place</p> <p>Full self-assessment not yet completed but work is in progress with partners on changes resulting from the Domestic Abuse Act to ensure Council remains fully compliant and supports victims of abuse and signposts offenders to appropriate support where possible.</p>

7.5	Create a Joint Disability conference for Somerset	SEOG	In progress – Target delivery date June 2022
7.6	Work with Disabled People in Somerset to improve understanding of what a hate crime is and how to report it through videos and talking heads.	SEOG	In progress – Target delivery date April 2022
Joint SEOG Objective 3		Work with the Gypsy and Traveller community to improve relationships and the provision of pitches	
	Action	Action Lead	Status
8.1	Include a positive policy within the emerging SWT Local Plan to support pitches in appropriate locations (criteria based) informed by the GTAA	SWT	Not yet progressed
8.2	Work across Somerset to identify pitch/plot provision for Gypsies and Travellers (including temporary and transit pitch provision)	SEOG	In progress - Work has taken place to identify some land that could be used for Gypsy and Traveller provision.

8.3	Work with support services to create a companion document for the Gypsy and Traveller Accommodation Assessment (GTAA) focusing on services	SEOG	In progress - Whilst the document has been created it will need to be updated once the GTAA is completed in Autumn 2021
8.4	Work with the Community to create an informed Illegal encampments process for Somerset	SEOG	In progress - A process has been created in Sedgemoor that could be used across other authorities.
8.5	Work with the Community to create briefing sheets for staff around understanding of the community in relation to service delivery	SEOG	Deleted – training will be delivered through the Gypsy Liaison Officers
8.6	Work to find suitable funding to create a Gypsy Liaison role for Somerset	SEOG	Completed Funding has been agreed till October 2021. Further funding will need to be identified after this point.
8.7	Work with the community to create a functioning Gypsy and Traveller Forum	SEOG	Completed – This will be taken forward by the Gypsy and Traveller Liaison Roles.
8.8	Explore options at Otterford B site	SWT	This option has been explored but has been rejected. We have told the landowners that we shall not be pursuing this option – it is not ideally located and there are planning complications.

<div>8.9</div> <div>Page 33</div>	Review the Gypsy, Traveller Accommodation Assessment for Somerset	Lead by SDC	<p>In Progress</p> <p>The lead council is Sedgemoor for contract purposes, but the project group contains representatives from all the District Councils and Somerset County Council.</p> <p>The project was originally scheduled to be completed in Summer 2020. The desk-based assessments had been completed and the interviews with the community were due to start Spring 2020. However, the Covid-19 pandemic and rules around lockdowns and isolation meant the interviews could not be completed outside the traditional travelling period. The last 18months the subjective data collection with the community was rescheduled and then postponed as we went into and out of restrictions. We have now entered the period where travellers traditionally are touring for seasonal work and family reasons, so may not be at their residential home site. Therefore, the interviews are unlikely to be rescheduled before autumn.</p> <p>RRR Consulting are preparing an interim report based on the secondary data as this will at least provide some updated evidence that will have greater weight than the 2013 Somerset GTAA. We hope to receive this soon.</p> <p>Provisional date for completed GTAA is autumn/winter 2021.</p>
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Joint SEOG Objective 4		Create an Equality Working Group for Staff in the Public Sector in Somerset	
	Action	Action Lead	Status
9.1	Create a pilot staff equality working group made up of multiple public bodies in South Somerset.	SEOG	Deleted - Group not going ahead as planned. This objective to be replaced by. 'Review and where necessary improve recruitment practices to make them more inclusive'.

Joint SEOG Objective 5		Improve the consistency of Accessibility Standards across the Public Sector for service users, including the Accessibility Information Standard.	
Action		Action Lead	Status
10.1	Work with the Somerset Disability Engagement Service to provide accessibility audits for Somerset and share learning from these.	SEOG	In Progress – First audits identified.
10.2	Create a Customer Charter for Somerset, recognising the Accessibility Information Standard	SEOG	Not started – target date April 2022
10.3	Create an action plan to support the Customer Charter	SEOG	Not started – target date April 2022

Somerset West and Taunton Council

Landlord Health and Safety Property Compliance Update Report

This matter is the responsibility of Executive Councillor Member Francesca Smith

Report Author: Ian Candlish, Assistant Director Housing Property

Report Date: 13th September 2021

1 Executive Summary / Purpose of the Report

1.1 This report provides an updated position for the main landlord health and safety property compliance disciplines. The Covid-19 pandemic continues to impact upon our ability to progress with some compliance areas, in particular due to resourcing issues by contractors. Nevertheless, we continue to maintain a clear focus on all compliance requirements and have made significant progress in many areas.

1.2 The information within this report summarises the current compliance of Somerset West and Taunton Council in relation to the following six key areas:

- Asbestos management
- Electrical safety
- Fire safety
- Gas safety
- Passenger lift and stairlift management
- Water safety

Each compliance area is monitored separately as defined by properties contained within either the Council's Housing Revenue Account (HRA) or General Fund (GF) accounts. HRA Blocks refer to all communal area(s) within the block (including any meeting halls), HRA Commercial refers to non-residential properties (e.g. shops or offices), HRA Dwellings refers to the individual property (e.g. house, bungalow, flat, etc.) and GF Property refers to the entire building.

1.3 The report identifies:

- Somerset West and Taunton Council's current compliance status (as of 2nd August 2021).
- Comparative performance from the previous report submitted on 12th April 2021 wherever possible. This is shown in brackets on each dataset on the relevant table.
- Achievements and successes since the last report.
- Issues adversely affecting compliance and action being taken.
- Regulations / legislation which affects the way Somerset West and Taunton Council manages its property safety compliance.

1.4 Risk ratings and timescales:

- Somerset West and Taunton Council will review and where suitable use the ratings and timescales suggested by its approved contractors when receiving an inspection report.
- Where no timescales are given by the contractor, Somerset West and Taunton Council timescales as set out in its relevant policies will be adopted.
- Hazards deemed as urgent or as emergency works will be actioned as soon as reasonably practicable. This may include restricting access to areas immediately until the hazard can be removed.
- Somerset West and Taunton Council may at times review hazards and change their priority if the original priority does not reflect the current use of the building or if there have been additional measures put in place that reduces the overall risk.

1.5 The information presented within this report has been compiled from data supplied by the Housing and Communities teams, the Facilities team and external contractors.

1.6 A summary of key activities and successes since the last report include:

- Additional procurement activity to deliver compliance programmes, including fire door installation, emergency lighting installation and additional electrical property testing and remedial works.
- Production of a new compliance policy and associated procedures for Non-Gas Heating Appliances
- Obtaining up-to-date Fire Risk Assessments for all properties
- Achieving 100% compliance for annual gas safety checks
- Maintaining 100% compliance for annual asbestos re-inspections (excluding dwellings)
- Achieving 100% compliance for fire detection and emergency lighting inspections
- Achieving 100% compliance for passenger lifts and stairlifts service and inspection
- A review of options for further utilising our Plentific software currently used for monitoring and managing our gas safety process and fire door tagging. This system provides an immediate geo-tagged, time-stamped and photo-verified account of checks undertaken. We have also successfully beta-tested for electrical activities (e.g. safety tests, and repairs / replacements) and will be implementing this in the near future. Finally, we are looking to use this software functionality for water safety going forwards, as well as potentially other property safety compliance areas.

1.7 Whilst the works outlined in this report are undertaken to ensure safety, several of them have a consequential effect of mitigating negative impacts on the environment and climate change. For example, regular servicing of gas boilers to maximise their efficiency, and fire safety measures to reduce the likelihood of fires occurring (such as fire safety housekeeping) both minimise the release of harmful emissions.

2 Recommendation

- 2.1 The contents of the report and progress being made in relation to landlord property safety compliance be noted.

3 Risk Assessment

- 3.1 Somerset West and Taunton Council has an obligation to comply with landlord statutory health and safety responsibilities. The required arrangements for managing these responsibilities are in place and activities are carried out in accordance with the relevant regulations, approved codes of practice and associated HSE guidance. These provide the default position of the organisation whether internal procedures, policies and practices exist.

4 Background and Full Details of the Report

4.1 Asbestos Management

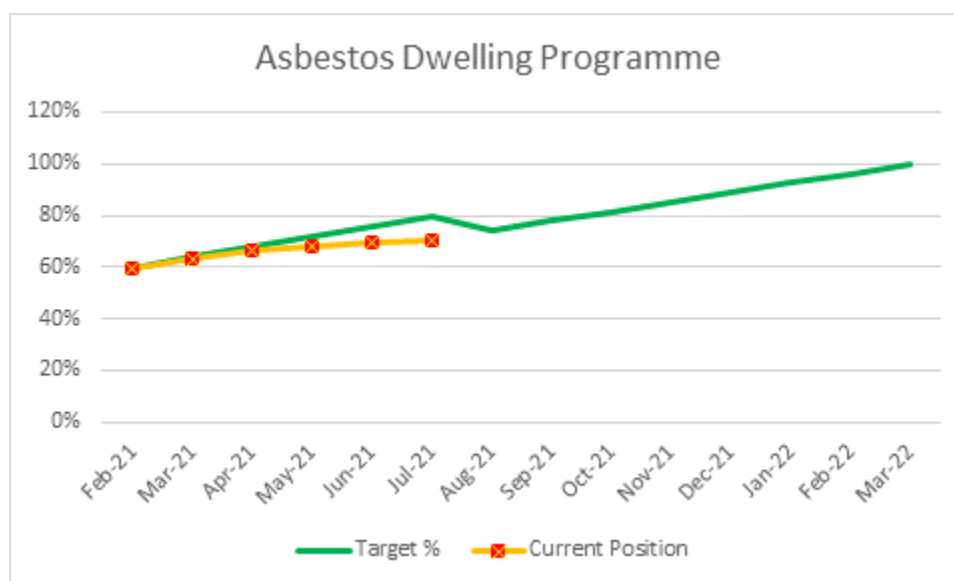
- 4.1.1 Asbestos management activities continue for all property types, both for new management surveys and re-inspections. However, it should be noted that progress on undertaking new management surveys to HRA dwellings by our specialist external contractor has been hampered by their loss of a number of key staff (75% of those assigned to our contract). We are reviewing options to recover this position, although a general shortage of appropriately qualified asbestos surveyors creates a challenge to resolving this issue. We have therefore taken the prudent step to extend the existing management survey programme to March 2022, as detailed below.
- 4.1.2 Somerset West and Taunton Council has a legal duty to manage asbestos containing materials within areas deemed as non-domestic, as outlined in Regulation 4 of the Control of Asbestos Regulations 2012 (CAR2012). It should be noted that any domestic property where works are to be undertaken is deemed as a workplace under the Health and Safety at Work Act 1974, and therefore will require asbestos information to be supplied as part of the pre-construction information. This is a requirement of the Construction (Design and Management) Regulations 2015 (CDM 2015).
- 4.1.3 Somerset West and Taunton Council holds an Asbestos Register containing relevant asbestos information to keep its staff, contractors and visitors safe during normal activities. This information is held within a cloud-based server and as a hard copy (commercial properties only) in the building compliance folder.
- 4.1.4 Somerset West and Taunton Council holds asbestos information on both its housing stock and GF Property. However, following a review of the data held, it has been decided that only surveys undertaken after August 2018 (which follow a more robust methodology) will be used to manage asbestos containing materials and supplied to contractors as pre-construction information. This will ensure that a detailed asbestos register of SWT's stock portfolio is maintained and surveys are suitable for works being carried out. Asbestos surveys to communal areas where required by Regulation 4 of CAR2012 have been undertaken, and a programme of updated domestic surveys to validate those currently held by the Council is underway. The approved Asbestos Procedures document allows for safe management of asbestos pending completion of these surveys, i.e. prior to undertaking construction work when asbestos-containing

materials are most likely to be disturbed a 'refurbishment and demolition survey' is undertaken, and all void properties have an asbestos management survey undertaken prior to re-letting.

4.1.5 The following table shows the current position for asbestos surveys undertaken post-August 2018. Where properties are found to contain asbestos (except for dwellings) they will be subject to future re-inspection.

Property Account Type	Number of Properties	Number Surveyed	Future Re-inspection	Percentage Surveyed
HRA - Blocks	524	524	408	100% (100%)
HRA – Meeting Halls	18	18	8	100% (100%)
HRA – Guest Rooms	10	10	6	100% (100%)
HRA – Dwellings	5575	3916	N/A	70% (62%)
HRA - Commercial	3	3	1	100% (100%)
GF – All Properties	51	51	23	100% (100%)

4.1.6 The following graph shows the current position for the HRA Dwellings asbestos management survey programme:



Note: As detailed in 4.1.1 above, the programme of asbestos management surveys for HRA Dwellings originally programmed for completion by December 2021 has been extended to the end of the financial year. In addition to this programme, it should be noted that the ongoing need for 'refurbishment and demolition surveys' to capital investment programmes, together with management surveys to void properties, continues to be undertaken.

- 4.1.7 Following the asbestos surveys undertaken, where we have found asbestos present, we have instigated a re-inspection programme. The following table shows the current position for asbestos re-inspections:

Property Account Type	Number of Properties	Number Surveyed	Percentage Surveyed
HRA - Blocks	408	408	100% (100%)
HRA – Meeting Halls	8	8	100% (100%)
HRA – Guest Rooms	6	6	100% (100%)
HRA - Commercial	1	1	100% (100%)
GF – All Properties	23	23	100% (100%)

4.2 Electrical Safety

- 4.2.1 Electrical safety checks continue for all property types, although progress on undertaking testing, and any consequent remedial works, to HRA dwellings by has been hindered by a lack of staff resource capacity by both our external contractor (who have therefore not been able to adhere to the agreed programme of testing and remedial works) and our in-house electrical team, as well as a high level of remedials being found during testing. Recruitment of appropriately qualified and experienced electricians is an issue generally within the sector, and we are undertaking an active recruitment exercise for our own electrical team, as well as carrying out a procurement exercise to engage additional external contractors to accelerate progress for both testing and remedial actions.
- 4.2.2 Somerset West and Taunton Council have a duty to periodically inspect and test electrical installations within its stock. All void properties have an electrical inspection undertaken prior to re-letting.
- 4.2.3 Somerset West and Taunton Council have an Electrical Safety Policy and associated procedures in place.
- 4.2.4 Somerset West and Taunton Council have adopted the following periodic inspections:
- Domestic Properties – 5 yearly cycle
 - Common Parts of domestic buildings – 5 yearly cycle
 - Commercial buildings owned and operated by SWT – As recommended from previous test certificate
- 4.2.5 Inspections are actively monitored by the Housing Property Compliance team to ensure that the periodic inspection regime is suitable from the amount and type of remedial works that are identified following inspection.
- 4.2.6 All electrical inspections are undertaken by both our in-house electrical team and external contractors, project managed by the Housing Property Compliance team.
- 4.2.7 All Code 1 hazards ('Danger present - Risk of injury') which are identified during the inspection are rectified on site, and if they cannot be rectified the areas are made safe until works can be completed. Code 2 hazards ('Potentially dangerous') are programmed

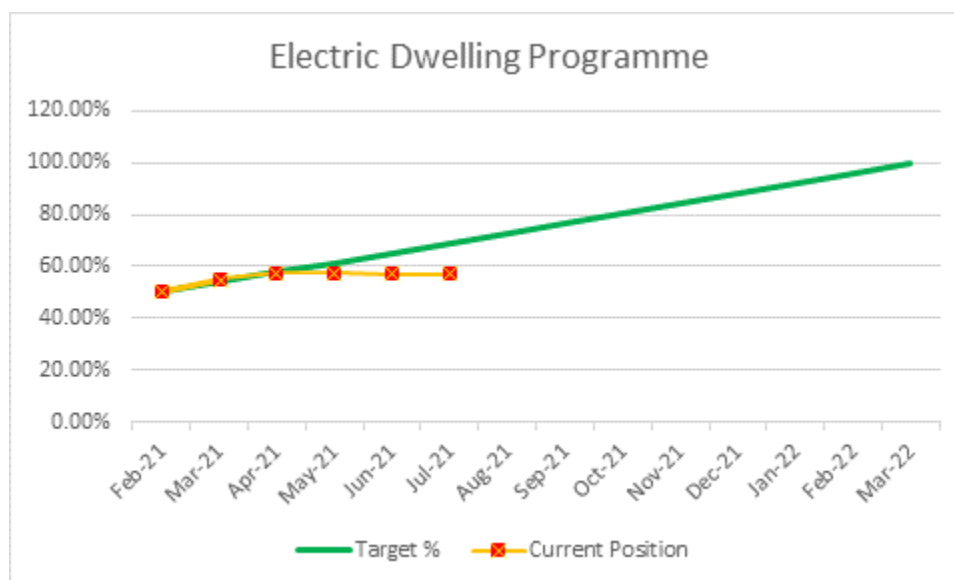
to be undertaken urgently. Any Code 3 hazards ('Improvement recommended') are reviewed and, if required, are included in future planned programmes.

4.2.8 The following table shows the current position for electrical inspections:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	337	336	99% (99%)
HRA – Meeting Halls	18	18	100% (100%)
HRA – Guest Rooms	10	10	100% (100%)
HRA - Dwellings	5706	3267	57% (52%)
HRA - Commercial	3	3	100% (100%)
GF - Properties	55	48	87% (88%)

Note: Electrical tests to HRA Dwellings are due for completion by end March 2022. HRA – Blocks have one outstanding test which is due for completion in August 2021. GF – Properties have seven properties outstanding, although it should be noted that all of these are currently closed to the public. They are all due for completion in August 2021.

4.2.9 The following graph shows the current position for the HRA dwellings programme for electrical inspections:



4.2.10 Portable Appliance Testing (PAT) is a statutory requirement under the Health and Safety at Work Act 1974, Electricity at Work Regulations 1989, Provision and Use of Work Equipment Regulations 1988, and the Management of Health and Safety Regulations 1999 to ensure electrical safety of portable electrical appliances.

The following table shows the current position for electrical portable appliance testing:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	0	0	N/A
HRA – Meeting Halls	18	17	94% (72%)
HRA – Guest Rooms	9	9	100% (56%)
HRA - Commercial	2	2	100% (100%)
GF - Properties	12	12	100% (100%)

Note: HRA – Meeting Halls are not currently open following the Covid lockdown. All PAT testing will be undertaken prior to reopening.

4.3 Fire Safety

- 4.3.1 Considerable progress has been made regarding fire safety since the last committee report, with achievement of 100% up-to-date Fire Risk Assessments (FRAs) for all property types, and a reduction in associated remedial actions. In particular, a major procurement exercise has been completed for replacement fire doors and a contractor has been appointed to undertake this programme, which is due to commence in September 2021.
- 4.3.2 The Chief Executive is Somerset West and Taunton Council's responsible person – as defined in Article 3 of the Regulatory Reform (Fire Safety) Order 2005 (RRFSO2005). Article 9 of the RRFSO2005 requires that the responsible person must make a suitable and sufficient assessment of the risks to which relevant persons are exposed for the purpose of identifying the measures they need to take. To satisfy this requirement, Somerset West and Taunton Council undertake fire risk assessments to all properties deemed as non-domestic, including the communal areas of domestic buildings.
- 4.3.3 The duty to ensure that Article 9 of the RRFSO2005 is met is the responsibility of the Assistant Director Housing Property.
- 4.3.4 Somerset West and Taunton Council have a Fire Safety Policy and associated Procedures to ensure it manages this compliance activity in its property portfolio safely and in line with relevant legislation.
- 4.3.5 Current legislation states that Fire Risk Assessments should be reviewed regularly or when circumstances change relating to the property and / or its occupants.
- 4.3.6 Somerset West and Taunton Council have adopted the following timescales for fire risk assessment based on a risk rating:
- Communal areas to domestic blocks (excluding sheltered blocks) – Biennial with a review annually
 - Communal areas to sheltered blocks - Annually

- Commercial Properties – Annually
- Any high-risk properties identified via FRA's – Annually

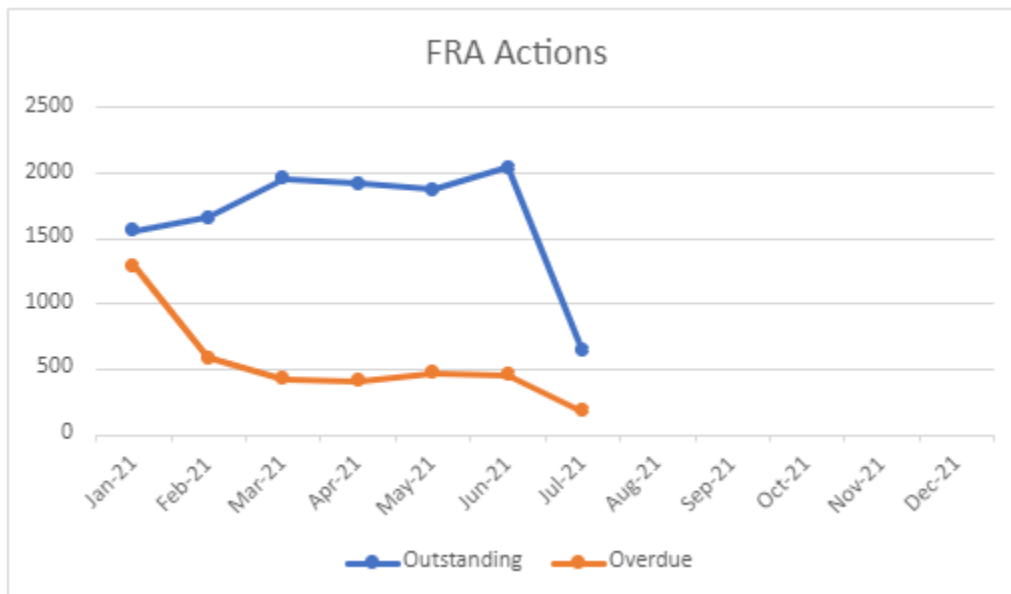
4.3.7 All HRA blocks are 'low rise' (the majority of which are two storey), are mainly of traditional construction, and do not have any aluminium composite material (ACM) type cladding.

The following table shows the current position for fire risk assessments:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	323	323	100% (100%)
HRA – Meeting Halls	18	18	100% (94%)
HRA – Guest Rooms	10	10	100% (80%)
HRA - Commercial	4	4	100% (100%)
GF - Properties	29	29	100% (71%)

4.3.8 All remedial actions raised from FRA's are validated and required works managed by the Housing Property teams (Compliance, Maintenance and Capital Programme) and the Housing teams (Sheltered and Tenancy). Works are either undertaken as repairs, management actions or added to capital programmes.

The following graph shows the current position for FRA remedial actions:



Note: Both outstanding and overdue actions have reduced following completed remedial works (e.g. fire signage signage), safety checks (e.g. gas and electric certification and subsequent smoke alarm upgrades), and work incorporated into capital works programmes (e.g. fire doors, emergency lighting and flooring).

For context, it is also worth noting that over the last 18 months over 5000 FRA remedial actions have been addressed, despite the pressures on all of the Housing and Communities teams during the Covid pandemic, and we maintain a strong focus on continuing to deliver both the programme of FRAs and the recommended remedial actions.

The following table shows the current position for FRA remedial actions:

Remedial Action Type	Number of Outstanding Actions	Number of Overdue Actions
Bin Store	1	1
Communal Fire Doors	1	1
Compartmentalisation	169	81
Compliance Management	81	30
Detection and Alarm	0	0
Electrical Improvement	0	0
Emergency lighting	0	0
Fire Signage	2	2
Flat Entrance Fire Doors	0	0
Flat Store Fire Doors	0	0
Flooring	0	0
Housekeeping	0	0
Means of Escape	16	3
Miscellaneous Actions	0	0
Repairs, Testing and Maintenance	146	59
Tenancy Management	188	92
Arson Risk	10	0
Total	614 (1850)	269 (547)

Note: the number of outstanding actions changes as the recommended remedial actions from the latest FRA's are received, as these will supersede previous FRA's. As works are undertaken to resolve existing remedial actions, and potentially additional recommended remedial actions are added from new FRA's (e.g. due to changes in legislation or best practice), then this becomes, in effect, a moving target.

4.3.9 The following table shows the current position for fire detection and emergency lighting inspections:

Property Account Type	Inspection Type	Number of Properties	Number Inspected	Percentage Compliant
GF – Properties	Fire Alarm: weekly test	19	19	100% (100%)
	Fire Alarm: 6 monthly service and test	20	20	100% (95%)
	Emergency Lighting: monthly service and test	29	29	100% (96%)
	Emergency Lighting: annual service and test	29	29	100% (100%)
HRA - Blocks	Fire Alarm: weekly test	8	8	100% (100%)
	Fire Alarm: 6 monthly service and test	8	8	100% (100%)
	Emergency Lighting: monthly service and test	111	111	100% (100%)
	Emergency Lighting: annual service and test	111	111	100% (100%)
HRA – Meeting Halls	Fire Alarm: weekly test	9	9	100% (100%)
	Fire Alarm: 6 monthly service and test	9	9	100% (100%)
	Emergency Lighting: monthly service and test	13	13	100% (100%)
	Emergency Lighting: annual service and test	13	13	100% (100%)
HRA - Guest Rooms	Fire Alarm: weekly test	0	0	N/A
	Fire Alarm: 6 monthly service and test	0	0	N/A
	Emergency Lighting: monthly service and test	1	1	100% (100%)
	Emergency Lighting: annual service and test	1	1	100% (100%)
HRA - Commercial	Fire Alarm: weekly test	1	1	100% (100%)
	Fire Alarm: 6 monthly service and test	1	1	100% (100%)
	Emergency Lighting: monthly service and test	2	2	100% (100%)
	Emergency Lighting: annual service and test	2	2	100% (100%)

4.4 Gas Safety

- 4.4.1 Gas safety checks, servicing and repairs to 'domestic' type boilers are undertaken by the in-house gas team, and works to Commercial boilers are carried out by external contractors.
- 4.4.2 Somerset West and Taunton Council has a duty under Regulation 36 of the Gas Safety (Installation and Use) Regulations 1988 to carry out annual safety checks on gas appliances / flues and implement an on-going maintenance regime to ensure the safe operation of gas appliances and associated pipework where gas is present.
- 4.4.3 Somerset West and Taunton Council have a Gas Policy and associated procedures to ensure that they meet their statutory requirements.
- 4.4.4 Landlord Gas Safety Record (LGSR) certificates are provided to tenants following gas safety checks.
- 4.4.5 Somerset West and Taunton Council also undertake responsive repairs on gas appliances and systems owned by the Council, either following annual checks or breakdowns, together with a programme of planned replacements.
- 4.4.6 The following table shows the current position for gas safety:

Property Account Type	Number of Properties with Gas	Number Inspected	Percentage Compliant
HRA – Dwellings	4480	4480	100% (99%)
HRA – Blocks	3	3	100% (0%)
HRA – Meeting Halls	13	13	100% (100%)
HRA - Guest Rooms	0	0	N/A
HRA – Commercial	2	2	100% (100%)
GF – Properties	20	20	100% (100%)

4.5 Passenger Lifts and Stairlifts

- 4.5.1 We have continued to work with our external contractor and engage with residents (particularly those with stairlifts) since the last committee report, with achievement of 100% service and inspection for all property types.
- 4.5.3 Regulation 9 of the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER), requires Somerset West and Taunton Council to ensure all lifting equipment that is provided for use in work activities are inspected by a competent person at regular intervals.
- 4.5.4 Somerset West and Taunton Council have a Lift Policy and associated procedures to ensure that they meet their statutory requirements.
- 4.5.5 Somerset West and Taunton Council have currently adopted the following intervals for service and inspection:

- Stair-lifts – Annual service and inspection
- Passenger Lifts – 6 Monthly service and inspection

4.5.6 The following table shows the current position for passenger lifts and stairlifts service and inspection:

Property Account Type	Inspection Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Dwellings	Stairlifts: Annual service and inspection	70	70	100% (90%)
HRA - Dwellings	Through floor lifts: 6 monthly service and inspection	3	3	100% (100%)
HRA - Blocks	Stairlifts: Annual service and inspection	7	7	100% (100%)
HRA - Blocks	Passenger lifts: 6 monthly service and inspection	3	3	100% (100%)
GF - Properties	Passenger lifts: 6 monthly service and inspection	4	4	100% (100%)

4.6 Water Safety

4.6.1 Significant progress has been made regarding water safety since the last committee report, with achievement of 100% up-to-date Water Risk Assessments (WRAs) for GF properties and HRA meeting halls, guest rooms and commercial properties. Following these WRAs, 252 remedial actions have been identified and we are working with our in-house teams and external contractors to resolve these, and are tracking actions in a management database.

4.6.2 We have also reviewed our approach to undertaking WRAs to HRA dwellings which, whilst low risk, also require consideration. We are formulating a plan for undertaking dwelling WRAs with our in-house teams, including developing as part of the current Open Assets software implementation an updated stock condition survey template, and moving from existing paper-based data to using Plentific's software.

4.6.3 The Control of Substances Hazardous to Health Regulations 2002 and the HSE Approved Code of Practice (L8) The Control of Legionella Bacteria in Water Systems identifies Somerset West and Taunton Council's requirement to minimise the potential of legionella growth within its stock, including communal areas.

4.6.4 Somerset West and Taunton Council have a Water Safety Policy and associated Procedures to ensure that they meet their statutory requirements.

4.6.5 Somerset West and Taunton Council have adopted the following inspection regime:

- Risk assessments – interval period for re-inspection based upon recommendation in accordance with the HSE ACoP and Guidance L8
- Tank inspections (Communal stored water only) – Annual
- Domestic property inspections within a block where there is communal stored water – 100% inspection over 5 years (minimum of 20% per year)
- Void Properties – Inspected at the time of being vacant (including undertaking any remedial works and flushing prior to re-letting)
- Domestic Properties (no communal stored water) – programme in development

4.6.6 Remedial actions are carried out by external contractors and our in-house property maintenance team.

4.6.7 The following tables shows the current position for water safety:

Water Risk Assessments

Property Account Type	Properties Requiring a Water Risk Assessment	Properties with a Water Risk Assessment	Percentage Compliant
GF - Properties	56	56	100% (85%)
HRA – Meeting Halls	18	18	100% (56%)
HRA – Guest Rooms	10	10	100% (10%)
HRA – Commercial	3	3	100% (67%)

Monthly Temperature Checks

Property Account Type	Properties with Stored Communal Water	Properties with a monthly temperature check	Percentage Compliant
GF - Properties	41	39	95% (84%)
HRA – Meeting Halls	18	18	100% (100%)
HRA - Blocks	5	5	100%
HRA – Guest Rooms	10	10	100% (100%)
HRA – Commercial	3	3	100% (100%)

Note: The two outstanding GF properties are being prioritised and will be undertaken by the end of August 2021.

5 Links to Corporate Strategy

No direct links.

6 Finance / Resource Implications

Landlord health and safety property compliance funding costs are incorporated into the annual budget approved by Full Council. The required funding is in place for the 2021/22 financial year. However, it should be noted that the scale and range of required compliance activity following ongoing compliance checks and recent and impending changes in legislation (e.g. Fire Safety Bill and Building Safety Bill) will continue to place increased pressure on revenue budgets. We will consider these requirements when we review our part of the HRA Business Plan.

7 Legal Implications

As noted in Section 3 of this report, Somerset West and Taunton Council has an obligation to comply with landlord statutory health and safety responsibilities. All of the specific legislative requirements are outlined under the relevant activity areas in Section 4 of this report.

8 Asset Management Implications

The property stock portfolio owned by Somerset West and Taunton Council is a substantial asset. This report outlines how health and safety compliance of this asset base is being managed.

Somerset West and Taunton

Audit, Governance & Standards Committee – 13 September 2021

SWAP Internal Audit – Progress Report 2021-22

This matter is the responsibility of Executive Councillor Ross Henley

Report Author: Alastair Woodland, Assistant Director, SWAP

1 Executive Summary / Purpose of the Report

- 1.1 The Internal Audit function plays a central role in corporate governance by providing assurance to the Audit, Governance and Standards Committee, looking over financial controls and checking on the probity of the organisation.
- 1.2 The 2021-22 Annual Internal Audit Plan is to provide independent and objective assurance on SWT 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 2021-22 internal audit plan and significant findings since the previous update in June 2021.

3 Risk Assessment (if appropriate)

- 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. SWT 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.

4 Background and Full details of the Report

- 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 June 2021.
 - 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 The Internal Audit Progress Report for 2021-22 is contained within the attached SWAP Report.

5 Links to Corporate Strategy

- 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, SWAP Internal Audit Services.

6 Finance / Resource Implications

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

7 Legal Implications (if any)

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

8 Climate and Sustainability Implications (if any)

- 8.1 There are no direct implications from this report.

9 Safeguarding and/or Community Safety Implications (if any)

- 9.1 There are no direct implications from this report.

10 Equality and Diversity Implications (if any)

- 10.1 There are no direct implications from this report.

11 Social Value Implications (if any)

- 11.1 There are no direct implications from this report.

12 Partnership Implications (if any)

- 12.1 There are no direct implications from this report.

13 Health and Wellbeing Implications (if any)

- 13.1 There are no direct implications from this report.

14 Asset Management Implications (if any)

- 14.1 There are no direct implications from this report.

15 Data Protection Implications (if any)

- 15.1 There are no direct implications from this report.

16 Consultation Implications (if any)

- 16.1 There are no direct implications from this report.

17 Scrutiny Comments / Recommendation(s) (if any)

N/A

Democratic Path:

- **Audit, Governance and Standards Committee – Yes**
- **Cabinet/Executive – No**
- **Full Council – No**

Reporting Frequency: Quarterly

List of Appendices (delete if not applicable)

Appendix A	SWAP Internal Audit - Progress Report 2021-22
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Somerset West and Taunton

Report of Internal Audit Activity

Plan Progress 2021/22 – September 2021 (Quarter 1 & Quarter 2)

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Internal Audit Plan Progress 2021-22

Our audit activity is split between:

- **Operational Audit**
- **Governance Audit**
- **Key Control Audit**
- **IT Audit**
- **Grants**
- **Other Reviews**



Role of Internal Audit

The Internal Audit service for Somerset West and Taunton Council is provided by SWAP Internal Audit Services Limited (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 Audit, Governance and Standards Committee at its meeting in March 2021.

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
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Senior Leadership Team. The 2021-22 Audit Plan was reported to the Audit, Governance and Standards Committee and approved at its meeting in March 2021. Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

Internal Audit Plan Progress 2021-22

Outturn to Date:

We rank our recommendations on a scale of 1 to 3, with 3 being minor or administrative concerns to 1 being areas of major concern requiring immediate corrective action.



Internal Audit Work programme

The schedule provided at **Appendix B** contains a list of all audits as agreed in the Annual Audit Plan 2021/22. 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 “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management.

In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in **Appendix A**.

The following table summarised Audits finalised since the previous update in June 2021.

Audit Area	Quarter	Status	Opinion
2020/21 - Key Control – Creditors	3	Final	Reasonable
2020/21 - Key Control – Debtors	3	Final	Reasonable
2020/21 - Project Governance – Firepool	3	Final	Advisory
2020/21 - Fraud Risk – Impact of Covid-19	4	Final	Reasonable
2020/21 – Compliance and Enforcement Grant Sign-Off	4	Final	Advisory
2021/22 - Commercial Investment	1	Final	Substantial
2021/22 - North Taunton Woolaway Regeneration	1	Final	Substantial
2021/22 – Health and Safety	1	Final	Limited

Please see the Limited/No Assurance section below for further information on the Limited Assurance review.

Internal Audit Plan Progress 2021-22

Significant Corporate Risks

Identified Significant Corporate Risks should be brought to the attention of the Audit Committee.



Significant Corporate Risks

We provide a definition of the 3 Risk Levels applied within audit reports and these are detailed in **Appendix A**. For those audits which have reached report stage through the year, I will report risks we have assessed as 'High'.

In this update there is one final report with significant (High) corporate risks:

- Health and Safety
The Council does not have sufficient arrangements in place to identify, monitor and mitigate against health and safety risks that could cause staff, stakeholders and public harm – leading to subsequent legal, financial and reputational damage.

Completed Assignments:

Summary of work completed with a focus on the high priority issues that we believe should be brought to the attention of the Audit Committee.



Summary of Work Completed – Limited or No Assurance Opinions

Health and Safety – Limited Assurance – July 2021

The Council has a statutory duty to keep its employees, members, customers, contractors and anyone else who uses its services safe from risks to their health and safety under the Health and Safety at Work Act 1974. The failure to adhere to relevant health and safety legislation and regulations puts health and safety at risk and exposes the Council to legal, finance and reputational damage.

The Council had not received an audit of corporate health and safety in a long time and therefore assurance was sought by senior management that the Council was adhering to health and safety legislation and regulation and the risks in these areas were minimised. Despite the absence of a recent audit the Council has been developing its approach to health and safety and this continues to be work in progress.

The audit scope was designed around the Health and Safety Executive's HSG65 framework which is based on the following key controls:

- Limited or No Assurance Opinions
- Follow-ups

Internal Audit Plan Progress 2021-22

Completed Assignments:

Summary of work completed with a focus on the high priority issues that we believe should be brought to the attention of the Audit Committee.

- Limited or No Assurance Opinions
- Follow-ups

Summary of Work Completed – Limited or No Assurance Opinions

Plan	The Council has determined its governance, health and safety policy and has planned for implementation.
Do	The Council has identified its risk profile; Organised activities to deliver its action plan and begun implementation.
Check	The Council is monitoring and measuring performance and investigating accidents and incidents.
Act	The Council reviews health and safety arrangements and acts upon lessons learned to ensure that the framework is fit for purpose.

The Council is currently at the PLAN and DO stages of HSG65 and therefore only limited testing could be done under CHECK and ACT. Our audit focussed on the high priority areas the Council need to address and therefore contractors were only looked at briefly. When looking at accidents and incidents we relied upon second line of defence controls. Landlord Health and Safety was considered out of scope for this audit. This area has been covered by previous audit work.

Our reason for providing limited assurance was because there is inadequate oversight of health and safety matters at Member level, this coupled with an incomplete risk scoping exercise, the audit framework not being developed or implemented and a lack of clarity with regards to who has received health and safety training and who has not.

There were three Priority 2 recommendations and eight Priority 3 recommendations made within this review. The three priority 2 recommendations raised in our report are detailed below. Health and Safety is on the Senior Management Issue log to monitor improvements. The recommendation made in this review will be followed up to ensure they have been implemented and reported back to the Audit Committee.

Internal Audit Plan Progress 2021-22

P1 or P2	Weaknesses Found	Risk Identified	Managers Agreed Action	Agreed Date of Action
Health and Safety				
P2	Corporate Governance matters need to be strengthened, including raising the profile of health and safety through a Member Champion and reporting of health and safety work to Members. Sub-Committees would be advisable for the Internal Operations and Development and Place Directorates.	Legal, financial and reputational damage through failing to put in place suitable controls to mitigate risks to health and safety.	Agreed. In the short term we will request that an existing Portfolio Holder accepts the responsibility of championing health and safety. In the medium to long term, we will look into health and safety being a specific responsibility of Portfolio Holder. We will endeavour to provide an overview of the Health and Safety Management System to Members to enable them to understand the health and safety risks within the organisation and help them to act in their capacity as critical friends. This may be done by video that can be reviewed remotely. We will also provide a quarterly update to Members on the Health and Safety work carried out to keep everyone safe, including performance against key targets set.	31/8/21 30/9/21 31/12/21
P2	While the Risk Assessment Scoping sessions have been scheduled and are underway, they are not complete, therefore the Council does not have a complete record of the health and safety risks it needs to manage. To date the Audit Framework has not been developed.	Legal, financial and reputational damage through failing to put in place suitable controls to mitigate risks to health and safety.	Agreed. Risk Management Scoping Sessions have been delayed by a Health and Safety Partner leaving. They should now be completed by the end of July 2021. We are continuing with recruitment to fill the vacant post.	31/8/21
P2	Health and Safety training is being carried out upon induction and refresher training is also being delivered, however Members have not received any. Reports can also be run from LMS, but analysis in this area could be better and this would provide greater assurance that staff and Members know to manage health and safety.	Legal, financial and reputational damage through failing to put in place suitable controls to mitigate risks to health and safety.	Agreed, at point of audit taking place. We will investigate the potential of iTrent to record the Training Needs Analysis, Learning and Development Records, develop training plans and produce detailed analysis on the training delivered.	31/8/21

Internal Audit Plan Progress 2021-22

The Assistant Director for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.



SWAP Performance

SWAP now provides the Internal Audit service for 24 public sector bodies. SWAP performance is subject to regular monitoring review by both the Board and the Member Meetings. The respective outturn performance results for Somerset West and Taunton for quarters 1 and 2 of 2021-22 (as of August 2021) were as follows:

Performance Target	Target Year End	Average Performance (Q1 & Q2 only)
<u>Audit Plan – Percentage Progress</u> Final, Draft and Discussion In progress Yet to complete	>90%	25% 50% 25%
<u>Quality of Audit Work</u> Customer Satisfaction Questionnaire	>95%	100%
<u>Outcomes from Audit Work</u> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	>95%	Year end

Internal Audit Plan Progress 2021-22

We keep our audit plans under regular review so as to ensure that we are auditing the right things at the right time. Due to Covid-19 the plan priority areas will be agreed on a quarter-by-quarter basis.



Approved Changes to the Plan

The audit plan for 2021/22 is detailed in **Appendix B**. Inevitably changes to the plan will be required during the year to reflect changing risks and ensure the audit plan remains relevant to Somerset West and Taunton Council. Members will note that, where necessary, any changes to the plan throughout the year will usually be subject to agreement with the appropriate Service Manager, Senior Leadership Team and S151 Officer. The Audit Plan is subject to a quarterly review with the Senior Leadership Team and will be reviewed on the 8th of September 2021.

Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Non-Opinion/Advisory	In addition to our opinion-based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance.

Definition of Corporate Risks

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

Categorisation of Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 - Major 3 - Minor			Comments
						1	2	3	
FINAL									
Key Control	Creditors	3	Final	Reasonable	4	-	1	3	(2020-21 work plan)
Key Control	Debtors	3	Final	Reasonable	5	-	-	5	(2020-21 work plan)
Governance, Fraud and Corruption	Firepool – Business Case and Special Purpose Vehicle	3	Final	Advisory	-	-	-	-	(2020-21 work plan)
Governance, Fraud and Corruption	Fraud Risk – Impact of Covid-19	4	Final	Reasonable					(2020-21 work plan)
Governance, Fraud and Corruption	Compliance and Enforcement Grant Sign Off	4	Final	Advisory	-	-	-	-	(2020-21 work plan)
Special Review	NEW: Investigation 1	3	Final	Advisory	-	-	-	-	(2020-21 work plan)
Governance, Fraud and Corruption	Commercial Investment	1	Final	Substantial	2	0	0	2	
Operational	Health and Safety	1	Final	Limited	11	0	3	8	
Governance, Fraud and Corruption	North Taunton Woolaway Regeneration	1	Final	Substantial	0	0	0	0	

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 - Major 3 - Minor			Comments
						1	2	3	
DRAFT									
Governance, Fraud and Corruption	Risk Management	1	Review						
IN PROGRESS									
Governance, Fraud and Corruption	GDPR	1							
Governance, Fraud and Corruption	Post payment assurance on COVID-19 grants	1							
ICT	ICT Security Policy & Awareness Audit	1							
Governance, Fraud and Corruption	Fraud Risk Assessment	2							
Operational	DLO External Work - Income	2							
Governance, Fraud and Corruption	Performance Management	2							
Operational	Open Contractor – Revised Grounds Maintenance Arrangements	2							
Governance, Fraud and Corruption	Procurement Follow-Up	2							

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 - Major 3 - Minor			Comments
						1	2	3	
NOT STARTED									
ICT	Digital Strategy	2							
Governance, Fraud and Corruption	Business Improvement – Delivery of the benefits	2							
Operational	Open Contractor – Revised Housing Arrangements	2							
Operational	Carbon Net Zero	2							
Current Earmarked Audits from the Rolling Plan and Indicative Timings – Exact Reviews to TBC – Note not all reviews will be covered in 2021-22									
Governance, Fraud and Corruption	Programme and Project Management	3							
Operational	The measurement of phosphates	3							
Governance, Fraud and Corruption	Ethical Governance and Culture	3							
ICT	Data Centre Review	3							
Key Financial Control	Creditors	3							
Key Financial Control	Debtors	3							

Summary of Work Plan

Appendix B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 - Major 3 - Minor			Comments
						1	2	3	
Key Financial Control	Main Accounting	3							
Key Financial Control	Housing Benefit	3							
Key Financial Control	Council Tax & Business Rates	3							
Key Financial Control	Housing Rents	3							
Governance, Fraud and Corruption	Impact of Covid-19 – Recovery to BAU and lessons learned	4							
Operational	People Strategy	4							
Operational	Regeneration Projects – Governance	4							
Operational	Recruitment and On-boarding	4							
ICT	ICT infrastructure improvement review	4							
Operational	Homelessness	4							
Operational	Sea Level Rises	4							

Somerset West and Taunton

Audit and Governance Committee – 13 September 2021

SWAP Internal Audit – Baseline Assessment of Maturity in relation to Fraud

Report Author: David Warren, Principal Investigation Officer, SWAP

1 Executive Summary / Purpose of the Report

- 1.1 Local authorities have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption. The Audit and Governance Committee should have oversight of the authority's counter fraud strategy, assessing whether it meets recommended practice and governance standards and complies with legislation such as the Bribery Act 2010.
- 1.2 To assist in this oversight a baseline assessment was completed at Somerset West and Taunton Council in line with requirements of the Fighting Fraud and Corruption Locally Strategy. Each of the 27 requirements were given a red, amber or green, rating based on a corporate view across the organisation. A summary from the completed audit was provided within the Internal Audit Outturn Report presented to this Committee in June 2021. Members of the Audit and Governance Committee also received, via e-mail, the full audit report for SWT together with the cross-partner benchmarking report.
- 1.3 At the June 2021 Audit and Governance Committee Members requested that a more detailed update on the Baseline Assessment of Maturity in relation to Fraud be provided. This item to allow the Principal Investigation Officer to summarise this piece of work to Members and to allow Members to ask any further questions.

2 Recommendations

- 2.1 Members are asked to note further information provided on the Baseline Assessment of Maturity in relation to Fraud.

3 Risk Assessment (if appropriate)

- 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. SWT 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.

4 Background and Full details of the Report

4.1 The attached SWAP Information summarises the key findings from the Audit.

5 Links to Corporate Strategy

5.1 Delivery of the corporate objectives requires strong internal control, which include adequate measure to deter, detect and respond to any frauds identified. Incidents of fraud can reduce the available resources for front line services and corporate priorities.

6 Finance / Resource Implications

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

7 Legal Implications (if any)

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

8 Climate and Sustainability Implications (if any)

8.1 There are no direct implications from this report.

9 Safeguarding and/or Community Safety Implications (if any)

9.1 There are no direct implications from this report.

10 Equality and Diversity Implications (if any)

10.1 There are no direct implications from this report.

11 Social Value Implications (if any)

11.1 There are no direct implications from this report.

12 Partnership Implications (if any)

12.1 There are no direct implications from this report.

13 Health and Wellbeing Implications (if any)

13.1 There are no direct implications from this report.

14 Asset Management Implications (if any)

14.1 There are no direct implications from this report.

15 Data Protection Implications (if any)

15.1 There are no direct implications from this report.

16 Consultation Implications (if any)

16.1 There are no direct implications from this report.

17 Scrutiny Comments / Recommendation(s) (if any)

N/A

Democratic Path:

- **Audit and Governance Committee – Yes**
- **Cabinet/Executive – No**
- **Full Council – No**

Reporting Frequency: Once

List of Appendices (delete if not applicable)

Appendix A	Baseline Assessment of Maturity in relation to Fraud.
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Baseline Assessment of Six Themed Areas



- Resource and Communication
- Fraud Risk Management
- Policy Related
- Committee Related
- Culture and Awareness
- Reporting, Investigating and Monitoring

Scope and Ambition

This baseline assessment is a corporate view of fraud maturity within the organisation. We recommend a revisit of the assessment in twelve months' time, with a view to an expected increase in the level of maturity. It is vital that management ensure the key findings from this work are considered and that they work with SWAP to reduce risk of fraud and to protect the public purse.

SWAP intends to share the results of this assessment across its wider partnership, to give opportunity for Councils to compare outcomes and where possible, share good practice. This exercise will anonymise the information from each Council.

Assessments per Area Reviewed

Resource and Communication



Fraud Risk Management



Policy Related



Committee Related



Culture and Awareness



Reporting, Investigating and Monitoring



- Assessed not to be in place/ operating ineffectively – requires significant improvement.
- Assessed to be partially in place – requires improvement.
- Assessed as in place/ operating effectively.

Appendix 2

Action Plan

ROADMAP OF ACTIONS

Now as a priority

- Present this report to key stakeholders and assign responsibility for management of actions.

Ensure the following is presented to the Audit, Governance and Standards Committee for review and approval:

1. An annual report which assesses the effectiveness of fraud prevention and detection.
2. Agreement of an annual fraud plan for 2021-22.
3. Reviewed Anti-Fraud and Corruption Policy and Strategy.
4. Reviewed Whistleblowing Policy
5. Reviewed Anti-Bribery Policy
6. Reviewed Anti-Money Laundering Policy

Immediate Future

- Complete risk assessment process with SWAP and assign responsibility for ongoing management of the process.
- Publish the following and make available to key stakeholders:
 1. The approved Anti-Fraud and Corruption Policy and Strategy.
 2. The approved Whistleblowing Policy
 3. The approved Anti-Bribery Policy
 4. The approved Anti-Money Laundering Policy.
- Ensure contractors sign up to the Council's Whistleblowing Policy.

Shorter-term

- Agree and implement a training plan for staff and Members in relation to fraud and ethics.
- Ensure fraud and corruption risk is included and referenced in the Risk and Opportunity Management Strategy and the strategic risk register.

Medium-term

- Consider fraud risk in the Directorate Risk Registers.
- Update staff and Member code of conduct documents to include direct fraud reference.

Longer-term

- Ensure relevant strategies and policies are subject to ongoing scrutiny and review by trained counter-fraud resource.


Improved
Baseline
Maturity
Assessment

Cross-Partner Report

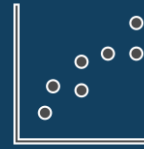
Baseline Assessment of maturity in relation to Fraud

April 2021

THIS REPORT
SUMMARISES
ASSESSMENTS
COMPLETED AT

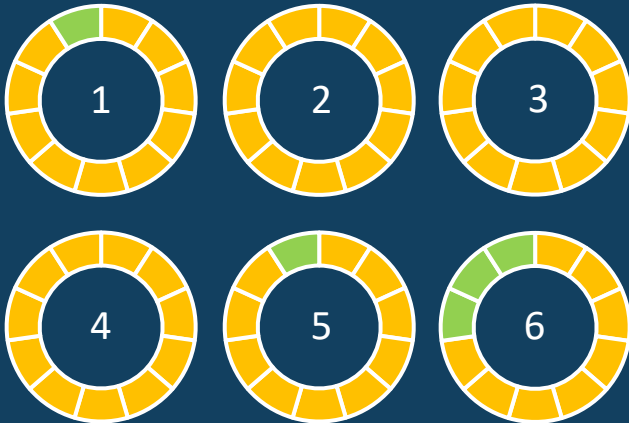


11 PARTNERS
across
7 COUNTIES



IN RELATION
TO COUNTER
FRAUD
MATURITY

Each Council overall assessment per theme:



- 1: Resource and Coordination
- 2: Risk Management
- 3: Policy related
- 4: Committee roles
- 5: Culture and Awareness
- 6: Reporting, Investigation and Monitoring

The common findings identified:



RISK ASSESSMENTS have not been completed to inform planning and fraud and corruption are not considered in the corporate risk management process.



AUDIT COMMITTEE AND PORTFOLIO ROLES do not refer to any responsibilities in respect of fraud.



COUNTER-FRAUD ACTIVITY AND OUTCOMES are not recorded and reported to Members and senior management.

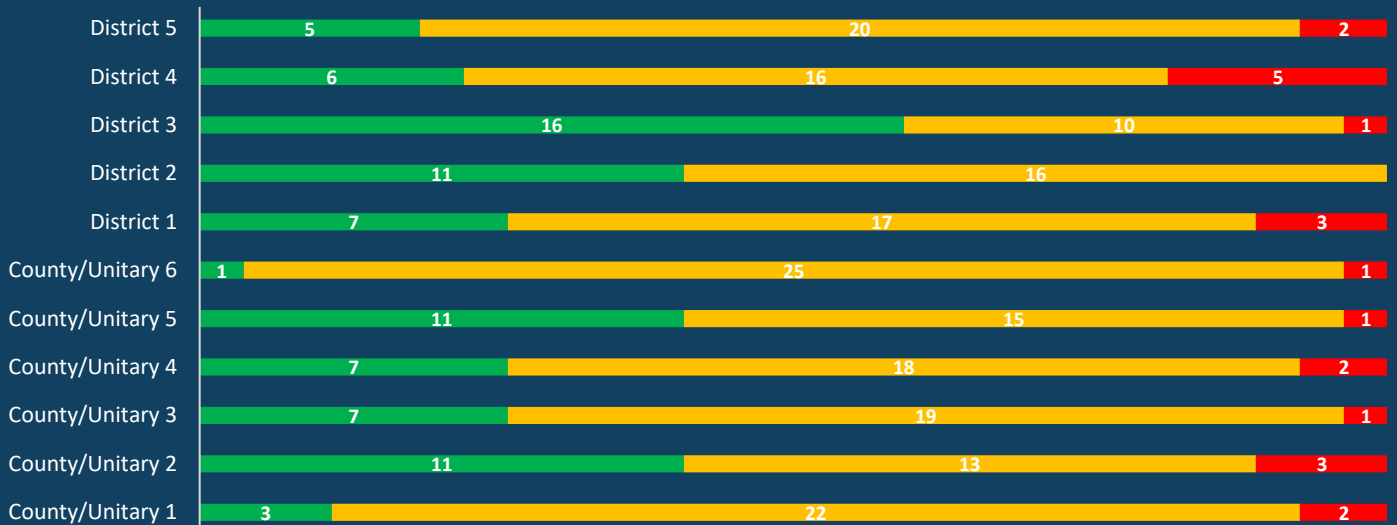


There is no PROGRAMME OF TRAINING for staff and members in relation to ethics and anti-fraud.



There is no LIVE COUNTER-FRAUD PLAN which aligns fraud risks to available and coordinated resources.

Total number of requirement assessment conclusions per Authority:



- Assessed not to be in place/ operating ineffectively – requires significant improvement.
- Assessed to be partially in place – requires improvement.
- Assessed as in place/ operating effectively.

Foreword



“Fraud has not disappeared: it is ever present, evolving and affects the funding that is needed for frontline services. In many public sector bodies, it is still an area where there is significant underinvestment, because they are not recognising the extent of the epidemic and seeing other priorities, particularly around service delivery, as more important. As fraudsters evolve, we must too. To these ends, through collaboration and intelligence sharing with a fraud prevention specialist service, we are ensuring that cases of fraud are not replicated across our partnership, mitigating controls are put in place and offenders are dealt with appropriately. Through our proactive intelligence-led approach we are taking steps to ensure the public purse is protected from all fraudulent activity.”

As CEO of SWAP, I am pleased to see reports of this nature, which provide shared and prolonged benefit to several of our partners.

Following the approval of SWAP’s Business Plan in November 2019, a fraud and investigations portfolio was created. We saw this as a real opportunity to provide a valuable difference to our Partners, many of which have little or no counter fraud resource available to them.

Our Counter Fraud and Investigations Team have been tasked with providing a proactive counter fraud service for our Partners, to compliment the historical reactive work offering.

This piece of work assesses each Partner against a reputable framework, the Fighting Fraud and Corruption Locally Strategy 2020 and gives partners a corporate view of maturity in relation to fraud risk.

The results of the assessments will be used together with more detailed service level risk assessments to underpin our proactive counter fraud work for 2021-22 and beyond.

I wanted to also take this opportunity to promote the work of the Counter Fraud Team, which now gives our Partners direct access to a dedicated, trained, and professional counter fraud and investigation resource.

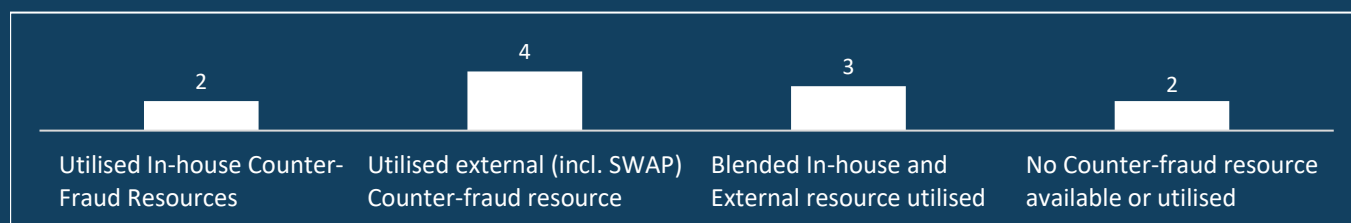
David Hill

CEO of SWAP Internal Audit Services



Key Findings: Resource and Communication

Despite a predominantly amber picture across this theme, there are differing approaches to resource and communication across the SWAP partnership. Some Councils have a designated and funded counter-fraud resource, including in-house and outsourced provisions, some have no counter fraud resource whatsoever. It is understood that many Councils have shuffled their resources in response to the pandemic, so the following graphic details the resource position across the eleven partners under their 'normal' operating ability:



Typically, **Councils are not aligning their fraud risks to available resources** and there is **a lack of reporting on detection and prevention measures to key stakeholders**.

Partners can increase their maturity in this area by establishing what resource is available to them within the authority and via SWAP, as part of their internal audit services provision. This will allow Councils to properly develop and approve a fraud plan which focuses on delivery within the available resource. Proactive fraud work should also be considered as part of this planning, with a focus on the prevention of fraud.

We would urge Councils to **revisit this area during the ongoing pandemic**, when resources across the authorities are more thinly spread to allow for a prioritised response to the crisis. There is direct fraud risk exposure linked to the re-deployment of staff and the extra pressure they are under, which is often enhanced by internal controls being misunderstood, suspended, or relaxed. The ongoing pandemic increases the opportunity and rationalisation for fraudulent activity for many.



The examples of good practice in this theme, mostly came from authorities that had a dedicated counter-fraud resource. These authorities had a choice of counter-fraud experts which enabled them to select the best option for each investigation.



We also highlighted at these authorities that the scope and capacity of the counter-fraud resource is understood and agreed and that there is a blend of reactive and proactive activity that is reported to key stakeholders. Furthermore, these counter-fraud resources are actively working work with colleagues across the sector and with enforcement agencies to reduce the risk and impact of fraud and corruption.

"Local authorities should pursue opportunities to invest in counter fraud and corruption activity in order to generate savings by preventing and recovering losses."

Fighting Fraud and Corruption Locally Strategy 2020

"Every pound siphoned off by a fraudster is a pound that cannot be spent on services where they are needed. Councils need to be vigilant."

Fighting Fraud and Corruption Locally Strategy 2020



Key Findings: Risk Management

An amber wheel indicates that every authority included within the exercise was assessed similarly. We have found that most **Councils have not performed a full assessment of fraud risks** and this links into the resources section above on page 4. For many Partners there is an acknowledgement that fraud risks are assessed as part of Internal and External audits and that there is some overlap with legislative and local requirements in this area.

A scan of the corporate risk registers across the SWAP Partners revealed that **less than a quarter of registers included any reference to fraud or corruption risks**.

Furthermore, the **corporate risk management guidance documents across the Councils were lacking any reference to fraud and corruption**.

Generally, **fraud and corruption risks are not considered** as part of service/ directorate level risk assessments.



What next?

Following on from this work, SWAP is facilitating the completion of a fraud risk assessment. Where Partners have an in-house Counter Fraud provision, we recommend that they lead on this work.

It is essential that the risk assessment is kept live, the process is owned by the Council and risks are reported to stakeholders.

The fraud risk assessment document will form the backbone of resource allocation for counter-fraud activity, including internal audit planning and assurance mapping.

At this stage Councils should be thinking about the resource internally to own and manage the fraud risk assessment. The SWAP Counter Fraud and in-house Counter Fraud Teams are on hand to facilitate this and should be actively involved in the process as a 'critical friend' and in relation to the changing risk landscape.



One Authority had fraud and corruption risk directly referenced in their corporate Risk Management Policy and had considered fraud risk as part of their strategic risk register, which was reviewed regularly by Members and senior management.

"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."

Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA)

"To avoid the risk that responsibility falls between managers, the organisation should have a clear fraud risk champion, who is known to all employees."

Public Sector Fraud – Identifying the risk areas (Deloitte)



Key Findings: Policy Related

Councils generally have approved policies in place in relation to anti-fraud, whistleblowing, codes of conduct and registering interests. Many of those reviewed though, lack a fraud and corruption thread, had **fallen out of date** with for example, changes to key personnel and/ or were not available to stakeholders as required.

One area to pick out from this theme was the **lack of evidence to support that contractors and third parties are required to sign up to the Councils Whistleblowing Policy**. This is something that promotes good governance and a recent report from the Association for Certified Fraud Examiners (www.acfe.com/report-to-the-nations/2020) found that around a third of occupational fraud tips came from customers and vendors combined.

Most staff and Member code of conducts did reference the behaviours expected in order not to commit fraud; however, these **did not typically give explicit reference to fraud, anti-bribery, and corruption**.

We found a variety of approaches to anti-fraud policy and strategy, some had incorporated both into the same document, some had standalone documents. To assist with this area, we have noted the following components for inclusion in an effective policy and strategy:

- Actions that are deemed to be fraudulent, including definition.
- Allocation of responsibilities for the overall management of fraud.
- A statement that all appropriate measures to deter fraud will be taken.
- The Council has a zero-tolerance to fraud.
- The formal procedures which employees should follow if a fraud is suspected and a Fraud Response Plan.
- Notification that all instances of suspected fraud will be investigated and reported to the appropriate authorities.
- A statement that fraudsters will be prosecuted and that the Police will be assisting in investigations as required.
- A statement that all efforts will be made to recover wrongfully obtained assets from fraudsters.
- Encouragement to employees to report any suspicion of fraud.
- Explicit links to other key policies, including whistleblowing and code of conducts.
- Prosecution, Sanctions and Redress Protocol.
- How success will be measured, how the strategy will be delivered and the timescales and responsibility for this.
- How and what training will be provided to key stakeholders.
- The steps to be taken in the event a fraud is discovered and who is responsible for taking any action.
- Consistent with the Fighting Fraud & Corruption Locally 2020 Strategy: Govern, Acknowledge, Prevent, Pursue, Protect.



One Authority presents regular reports to their Audit Committee to demonstrate how well the policies around the code of conduct, for example declaration of personal interests, are being adhered to. This allows Members to monitor the take up of policies and spot any declining trends.



Some authorities had bought in Counter-Fraud resource to proof-read key policies, and this was replicated at service level, in relation to areas where fraud presents an inherently high risk.

"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."

Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA)



Key Findings: Committee Roles

Councils typically have **no assigned Member representative for fraud** and there is **a lack of counter-fraud activity reported to Audit Committees**, or equivalent. This means that Councils are unable to demonstrate appropriate oversight, awareness, and support for counter-fraud activity.

We have found at several Councils that Committee responsibilities state that the Audit Committee should take an “active role in the prevention and deterrence of fraud”, and that anti-fraud policies and strategies are taken to Members for approval. However, **little, or no ongoing information is reported to Members** and therefore the effectiveness their role in relation to prevention and deterrence cannot be substantiated.

SWAP has an important role to play here, and this is recognised by recommendation at every Council that the results of the Baseline Assessment be taken to the Audit Committee. Committees need to ensure that the responsibility for managing the actions from the baseline assessment is assigned.

This should be the start of an ongoing relationship between Members and Counter-Fraud related activity.

We also found that there is a real **lack of regular training for Members**, meaning they are less effective in challenging counter-fraud activity. We would recommend that Councils look at specialist Member training and awareness sessions. A standard level of training should be applied to all Members, with more specific in-depth training given to those Members with agreed responsibility for counter-fraud.



Some examples were found where counter-fraud activity is shared with Members, including proactive and reactive works. Other examples were found in relation to Audit Committees having recorded responsibility in relation to oversight of counter fraud activity.

“Councillors should have and maintain an understanding of fraud risks and consider fraud in relation to the decision-making process.”

A Councillor's Workbook on Bribery and Fraud Prevention (LGA)



Key Findings: Culture and Awareness

This area has found that there is a **lack of training provided to employees** and that where some level of training is provided, this does not link to any assessment of risk. Again, we would urge Councils to **make this a priority** due to the direct fraud risk exposure linked to the re-deployment of staff and the increased opportunity and rationalisation for fraudulent activity. There are things that Councils can do to compliment effective training, such as sharing of relevant awareness materials and case studies where fraud or corruption has occurred.

We also found that there is generally a **real reluctance to publicise successful outcomes relating to cases of fraudulent activity** at Councils, even where there is a statement in the Council's policy which states this will happen. Publishing successful outcomes is a proven deterrent for fraud and corruption and helps to enforce a strong tone throughout the organisation.

Some Councils had **no vetting process** in respect of fraud risk for new employees. This is mightily important as the insider threat continues to be prevalent in the workplace. Councils should take a risk-based approach to this and consider here the use of specific vetting services and include the vetting of existing employees.



Some Councils were publishing internal fraud alerts to staff and one Council has been sharing its fraud alerts externally via social media. This helps in promoting good culture and awareness to stakeholders and acts as a deterrent for committing fraud.



There is a general feeling that Council staff are becoming more aware of fraud risk, as a result of the pandemic and the administering of Covid grants. We have seen examples of fraud risk training being provided to staff who are responsible for processing and checking of grant claims.



Several authorities were able to demonstrate that key staff were kept up to date with fraud trends via professional bodies, newsletters, and networking groups.

"The foundation to anyone countering the threat and risk of fraud, in any context, is the development of a strong counter fraud culture."

A Guide to Managing Fraud for Public Bodies (International Public Sector Fraud Forum)

"Publicise your success, sharing the outcome of a successful investigation or how an anti-fraud measure has worked is a positive way to advertise the message that fraud doesn't pay."

A councillor's workbook on bribery and fraud prevention (local.gov.uk)



Key Findings: Reporting, Investigating, Monitoring

The most common findings in relation to this theme were that Councils had **no mechanism for recording or reporting on fraudulent activity**. Statistics should be maintained which will allow appropriate scrutiny and monitoring by senior management and Members. We are referring here to the work completed outside of the National Fraud Initiative programme, which by its nature captures and records positive matches for Councils to investigate.

Many Councils had **no process for risk assessing allegations** of fraud and corruption and were typically looking at 'everything' or 'nothing'. This area overlaps with theme 1 on resources and theme 2 on risk management. Councils need a process for risk assessing allegations to ensure they are targeting resource to the correct places in line with a risk approach.

Councils mostly had **response plans in place for fraud and corruption**, although it was commonly identified that some had **no reference to sanctions and redress**.

Data analytics is one area that Councils can use to their advantage in the fight against fraud. There is **little evidence that data analytics is being widely used** across our Partners in this manner, although some have recently joined Cifas and are awaiting the benefits of this. Others **have used data sporadically to review specific areas**, for example discount award and in relation to Covid grants.



There were some good examples of Councils with dedicated whistleblowing lines, with optional anonymisation. These were linked into key policies and available to stakeholders internally and externally.



Some Councils had developed proactive data analytical reviews and were making use of national and internal databases to assist in the prevention and detection of fraud, such as Cifas.



Some excellent Fraud Response Plans were provided during this review, which had been approved by senior management and Members. These included prevention, detection, investigation, sanctions, and redress.



Where authorities have utilised their designated resource, fraud incidents were investigated promptly with unfettered access to documentation.



Did you know that SWAP has a confidential reporting hotline?

Call 020 8142 8462 or email confidential@swapaudit.co.uk

Ambition and Journey

The objective for us and all our Partners should be to reduce the risk of fraud and corruption and to protect the public purse. We appreciate that each Partner has differing available resources and a differing risk appetite. We also have Partners with their own in-house dedicated Counter Fraud Team. We understand our Partners and aim to provide support to them in line with these factors.

Each Partner included in this report has recently received an individual report for their organisation, including an appendix of findings against the 27 requirements and a roadmap of actions to improve the assessment.

Please do not hesitate to contact us, should you require more information about any of the areas in the report, or if you feel you would benefit from further discussion or indeed a deeper dive into some of the areas covered above.

We intend to revisit the baseline assessments in twelve months' time and would expect to see an improving picture of maturity across the Partnership. Our role is to support our partners on the journey to improvement.

Following the baseline assessment, our Counter Fraud and Investigations Team are facilitating the completion of service-level risk assessments, against areas known to carry significant inherent risk of fraud. This will provide each partner with a live view of fraud risk and in conjunction with the baseline assessment, enabling resources to be better aligned to prevent and detect fraud.

The SWAP Counter Fraud and Investigations Team will also be producing annual reports for relevant Partners in relation to counter fraud activity from 2021-22 onwards. This will include progress on fraud risk maturity and any proactive and reactive works undertaken during the period.

To gain maximum benefit from our Counter Fraud services, it is essential that these reports are taken to the 'top table' for consideration and that a strong tone is set by senior management and Members at each organisation.

We look forward to your continued support in the future.

SWAP Counter Fraud and Investigations Team



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Appendix 1: The Twenty-Seven Assessment Requirements

Resource and Communication

- The organisation has internal audit and external audit planning aligned to fraud risks. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.
- The organisation has access to a trained counter fraud resource.
- The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.
- There is a programme of counter fraud work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts. There is an annual fraud plan which is agreed by Audit Committee and reflects resources mapped to risks and arrangements for reporting outcomes.
- The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.

Culture and Awareness

- The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.
- The organisation educates and trains employees regarding the importance of ethics and anti-fraud programs and senior management exhibit and encourage ethical behaviour.
- The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the relevant checks.
- The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness, and this is endorsed by the communications/ media team.
- Relevant staff and members are up to date with latest anti-fraud practice and trends in fraud.

Reporting, Investigating and Monitoring

- Fraud incidents are promptly and thoroughly investigated by a designated and qualified resource, with unfettered access to premises and documents for the purposes of counter fraud investigation.
- All allegations of fraud and corruption are risk assessed.
- Prevention measures and projects are undertaken using data analytics where possible and sharing of data across internal departments and between other enforcement agencies.
- The organisation provides an anonymous way to report suspected violations of the ethics and anti-fraud programmes.
- Statistics are kept and reported which cover all areas of activity and outcomes. The number of investigations and outcomes are recorded.
- There is a fraud and corruption response plan which covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress.

Fraud Risk Management

- The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members. Horizon scanning is completed to look for future fraud and corruption risks.
- The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.

Committee Related

- The Audit Committees and Portfolio Lead roles in relation to fraud management are agreed and understood, including:
 - awareness and support counter fraud activity (including proactive and reactive) and receive training to support them
 - receiving of regular reports on the work of those leading on fraud
 - supporting counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.

Policy Related

- The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:
 - codes of conduct including behaviour for counter fraud, anti-bribery, and corruption
 - register of interests
 - register of gifts and hospitality.Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality, and business. This is checked independently.
- There are employee and member Code of Conducts in place, which include reference to fraud.
- The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.
- There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance. Is there a zero-tolerance approach to fraud?
- The organisation has an appropriate and approved money laundering policy available to stakeholders.
- There is an independent and up-to-date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.
- Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.
- Counter fraud staff are consulted to fraudproof new policies, strategies, and initiatives across departments and this is reported upon to committee.

Somerset West and Taunton Council

Audit, Governance and Standards Committee – 13th Sept 2021

Summary of Level 1 and 2 Internal Audit Actions

This matter is the responsibility of the Portfolio Holder for Corporate Resources

Report Author: Malcolm Riches, Business Intelligence & Performance Manager

1.0 Executive Summary / Purpose of the Report

- 1.1 The purpose of this report is to update the Committee on progress against level 1 and 2 Internal Audit Actions as at the end of July 2021.

2.0 Recommendation

- 2.1 The Committee reviews the overdue actions contained in the report and notes progress to date.

3.0 Risk Assessment

- 3.1 It is important to ensure that the Council has actioned the high priority actions that come out of Internal Audit reports in order to strengthen governance arrangements.

4.0 Background and Full details of the Report

- 4.1 The Council has engaged the South West Audit Partnership (SWAP) to carry out its Internal Audit functions; checking the adequacy of controls and procedures across the whole range of Council services.
- 4.2 At the start of each financial year an audit plan is agreed between SWAP and the Council which identifies the areas of highest potential organisational and operational risk within the Council.
- 4.3 When an audit takes place a report is provided to the service manager concerned which gives an audit conclusion and opinion.
- 4.4 Any control or procedural weaknesses are identified within an action plan appended to the audit report.
- 4.5 All findings will be allocated one of 3 priority ratings as follows:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate
------------	--

	attention of management
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention

- 4.6 Each finding within the action plan contains a target implementation date which has been agreed between SWAP and the service manager concerned.
- 4.7 All priority 1 and 2 recommendations are captured in a register to ensure progress against the recommendations can be tracked and progress reported to the Audit, Governance and Standards Committee.
- 4.8 This report gives the Committee a progress update on all priority 1 and 2 audit actions, including those where the agreed remedial action is overdue. A summary of the priority 1 and 2 actions is provided in Appendix 1.
- 4.9 The current position as at 31st July
- 6 audit actions currently open (see Appendix 1)
 - 2 audit reports with all Priority 1 and 2 actions completed since the last report (see appendix 1)
 - 5 audit actions completed since the last report in June (see Appendix 2)
 - There are currently 4 audit actions overdue as at 31/7/21.

5.0 Links to Corporate Strategy

- 5.1 There are no direct links to corporate aims/priorities although good governance and robust controls form part of the overarching Governance Framework within which the Council operates.

6.0 Finance / Resource Implications

- 6.1 Unmitigated risks identified by SWAP could expose the Council to unanticipated claims, expenditure or exposure to fraud.

7.0 Legal Implications

- 7.1 There are no direct legal implications within this report although unmitigated risks could expose the Council to unanticipated claims.

Democratic Path:

- **Audit and Governance Committee – Yes**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: Quarterly

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APPENDIX 1

Summary/Status of Audit Reports

					Position at 31 st July 2021	
Report	Status	Date	Judgement	Priority 1 and 2's identified	Priority 1/2 actions still open	Overdue (at 31/7/21)
Grounds and Open Spaces	Final	9/10/2020	Limited	7	1	0
Procurement	Final	26/10/2020	Limited	5	3	3
Ethical Governance & Culture	Final	04/02/2021	Limited	3	1	1
Housing Compliance - Governance & Reporting	Final	04/03/2021	Reasonable	2	1	0
				17	6	4

Audit Reports with 1 & 2 Actions Completed (Since June Report)

Report	Status	Date	Judgement	Priority 1 and 2's identified	Priority 1/2 actions still open	All 1/2 actions complete
Financial Resilience	Final	04/06/2020	Reasonable	1	0	YES
Creditors – Key Controls	Final	29/06/2021	Partial	1	0	YES

Appendix 2 – Update on Priority 1 and 2 Audit Recommendations at 31st July 2021

Audit Report	Recommendation	Priority Scoring	Responsible Officer	Target Date	Progress	RAG Status
Financial Resilience 2019/20 (4/6/20)	We recommend that the S151 officer ensures that the staff budget is fully costed and included in the MTFP. Shortfalls in budget should have robust saving plans in the short to medium term agreed with SMT.	1	S151 Officer/Chief Executive	Revised 31/3/2022 (Previous 31/12/2020)	Staffing budget = COMPLETE. The staff budget has been fully updated and reconciled in 20/21 budgets to reflect the new directorate structure completed during the year. This is also complete for the draft 21/22 budget. Savings = COMPLETE. Council has approved a balanced budget for 2021/22, utilising £1.2m from general reserves to temporarily address some of the budget gap. SMT and the Executive have approved the updated Financial Strategy in July 2021 which sets out the planned approach to balancing the budget for 2022/23. This is set around the context of prospective implementation of a unitary local authority structure in April 2023, which will need to direct the design and priorities for long-term financial sustainability. It is therefore proposed to mark this action as complete.	COMPLETED
Procurement (26/10/20) Page 91	We recommend that the Strategic Procurement Specialist finalises the draft Procurement Strategy as per the Finance and Procurement team's Operational Plan, to ensure the council can be held accountable for the Strategy's adoption and progression. The progress of implementing the Procurement Strategy, together with the adaptation of the CPRs, should continue to be closely monitored by the Assistant Director Finance, to ensure its timely progression in accordance with agreed implementation timeframes.	2	Strategic Procurement Manager AD for Finance/S151 Officer	Revised target 31/7/21 (previous 31/1/21)	<u>Procurement Strategy:</u> A new Procurement Strategy for SWTC has been prepared and was approved by Executive Committee in March 2021. This part of the agreed actions is therefore complete, with implementation monitored through the Operational Plan. <u>Contract Procedure Rules:</u> Draft revisions of CPR's has been completed and submitted to the monitoring officer (February 2021) for formal approval and incorporation into the Constitution. Whilst only minor changes this may require Full Council approval – to be confirmed. Deadline therefore extended by S151 Officer to 31 July for this item. Update 31 July 2021 – approval pending.	In Progress
Procurement (26/10/20)	Review the CPRs to bring them up to speed with the current exemption process being used and ensure that the end-to-end process is designed to fully protect the council's interests. Any changes to the CPRs to reflect the current exemption process should be approved by the Monitoring Officer. Ensure that the PO reference(s) relevant to each register entry are obtained and entered into the waiver register, and that the Specialist implements a procedure to monitor and ensure that spending through exemption is in line with the authorised waiver value, or that further authorisation is obtained where an originally authorised waiver value is to be exceeded. Implement a process to report regularly to the Senior Management Team on the type and value of expenditure being processed through exemption.	2	Strategic Procurement Specialist and Assistant Director Finance (S151 Officer)	Revised target 31/07/2021 (previous 31/1/21)	Exemptions: COMPLETE – More robust Waiver register has been implemented to record PO details and values which will be reviewed to ensure compliance with estimated budget cost and that any overspends are recorded and interrogated with the originating officer, recording all information highlighted by Audit. CPRs: COMPLETE – CPRs have been reviewed and resolved to leave unchanged, with the process realigned to follow the current CPRs. Update guidance and proformas issued. Reporting: TO BE COMPLETED – The exemptions register is currently a procurement restricted document but will be used to collate quarterly report for Performance Board on Number, Types, Value by Quarterly and aggregated spend. Revised target date extended in agreement with AD Finance to 31 July 2021. Update 31 July 2021 – ongoing vacancy in team has impacted progress therefore now plan to introduce from Month 5 reporting in September 2021.	In Progress

Audit Report	Recommendation	Priority Scoring	Responsible Officer	Target Date	Progress	RAG Status
Procurement (26/10/20)	Completes a review of the contract register to ensure that all existing contracts are identified within, and that any spending off-contract is challenged with the relevant Officers as required. Ensures the reconciliation of the internal and external contract registers, to ensure they agree. This exercise should be performed at regular intervals going forward, to ensure the registers are maintained and up to date.	2	Strategic Procurement Specialist	Revised target 30/6/21 (Previous 31/01/2021)	COMPLETE: The public facing Contracts Register is now included via the eProcurement portal (Proactis), which has been brought up to date. Resources continue to be a challenge with vacancy and increased demand for procurement support, but this will be maintained on an ongoing basis. Areas of off-contract spend is being reviewed and challenged on an ongoing basis.	COMPLETED
Procurement (26/10/20) Page 92	We recommend that the Strategic Procurement Specialist liaises with the wider finance management team as intended, to develop and implement a proportionate suite of performance measures and reporting mechanisms that enable accountability and governance over the procurement function. Once developed, these should be documented, and this work should consider, but not be limited to, development of performance measures and monitoring in the following areas: • Regular monitoring of, and reporting to the Senior Management Team on, the achievement of the Procurement cost savings stipulated in the MTFP • The achievement of the value for money, sustainable Procurement, and the social equality commitments within the draft Procurement Strategy • Analysis of spending against approved, contracted, and uncontracted suppliers • The achievement and benefit of collaboration in procurement (e.g. through use of procurement frameworks, or other procurement initiatives)	2	Strategic Procurement Specialist	Revised target 31/7/21 (Previous 31/03/21)	Financial Strategy now incorporates limited procurement savings linked to established long-term strategic contracts, therefore detailed procurement savings monitoring process not required. This part of the action plan is therefore closed. Progress has been slowed by capacity constraints. New target agreed with AD Finance to develop performance reporting during Q1 to bring to Performance Board in July. Target date therefore extended to 31 July 2021. Update 31 July 2021 – ongoing vacancy in team has impacted progress, hence target date not achievable. However, activity is underway to monitor volume of purchasing through waivers, and planned activity in Q2-Q3 to review spend with supply chain bypassing proper procurement processes.	In Progress
Ethical Governance & Culture (4/2/21)	The Governance Manager/AD – Corporate will ensure that the induction and training process includes all the key policies that establish a strong ethical culture within the organisation including: • Whistleblowing procedures • Conflicts of interest • Money Laundering and Fraud"	2	Governance Manager to liaise with AD – Corporate.	02/07/21	Whistleblowing & Money Laundering & Fraud - eLearning packages have been added to the mandatory section of the learning management system (LMS), the updated policies need to be added in addition to this, which the People Business Partner (L & D) is working to complete (all staff will then need to affirm they have read and understood the policy alongside the training - this will be monitored by PBP over the coming months to ensure all required mandatory training is completed). Conflicts of interest currently sits in the induction section of the LMS. The People Business Partner and team are reviewing the induction material and required policies and will adjust the Induction vs Mandatory elements of the LMS to ensure suitable coverage.	In Progress
Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that the Case Management Lead, all Case Managers – Localities and the Locality Champion receive financial management training.	2	Open Spaces and Streetscene Manager	31/8/21	Training on the process of raising and closing jobs and preparing timely invoicing complete. Waiting for formal corporate wide financial training from the Finance team as this has been delayed due to staff being redeployed on Covid-specific work.	In Progress

Audit Report	Recommendation	Priority Scoring	Responsible Officer	Target Date	Progress	RAG Status
Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that all key areas document their Schedule of Works and projected income for each financial year and this is used to inform a Financial Forecast for Open Spaces.	2	Open Spaces and Streetscene Manager	30/9/21	This has been actioned and is now complete.	COMPLETED
Grounds and Open Spaces (26/10/21)	We recommend the Open Spaces and Streetscene Manager ensures that detailed procedures are written for all key areas.	2	Open Spaces and Streetscene Manager	30/9/21	Income built into budget forecast. Now complete.	COMPLETED
Housing Compliance-Governance & Reporting (4/3/21)	The Compliance Manager has appointed specialist Contractors to expedite the programme of property inspections for water safety. They expect to have completed this by March 2022.	2	Compliance Manager	31/3/22	Programme is ongoing.	In Progress
Creditors – Key Controls (29/6/21)	Will review and update the procedure ‘How to create/amend a supplier’ to reflect the correct members of staff and the process for the independent verification of supplier details. Will also consider how the verification of supplier details can be strengthened.	2	Systems and Project Accountant	30/06/21	The supplier guidance has been updated to reflect the current version of e5.	COMPLETED

