

AUDIT COMMITTEE

Date and Time:- Thursday 26 September 2024 at 2.00 p.m.

Venue:- Rotherham Town Hall, The Crofts, Moorgate Street, Rotherham. S60 2TH

Membership:- Councillors Marshall (Chair), Baggaley (Vice-Chair), Blackham, Elliott and McKiernan.

Ms. A. Hutchinson and Mr. M. Olugbenga-Babalola, Independent Members

The items which will be discussed are described on the agenda below and there are reports attached which give more details.

Rotherham Council advocates openness and transparency as part of its democratic processes.

Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair or Governance Advisor of their intentions prior to the meeting.

AGENDA

1. Apologies for Absence

To receive the apologies of any Member who is unable to attend the meeting.

2. Declarations of Interest

To receive declarations of interest from Members in respect of items listed on the agenda.

3. Questions from Members of the Public or the Press

To receive questions relating to items of business on the agenda from members of the public or press who are present at the meeting.

4. Exclusion of the Press and Public

To determine whether the following items should be considered under the categories suggested in accordance with Part 1 of Schedule 12A (as amended 2006) of the Local Government Act 1972.

Under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for:-

Agenda Item 10 (Internal Audit Progress Report – Appendix C) on the grounds that the appendix involves the likely disclosure of exempt information as defined in Paragraph 7 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

Agenda Item 13 (Assistant Chief Executive's Directorate Risk Register) on the grounds that the report involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

5. Minutes of the previous meeting held on 30th July, 2024 (Pages 5 - 12)

To consider and approve the minutes of the previous meeting held on 30th July, 2024, as a true and correct record of the proceedings.

6. Update on the Public Service Telephone Network (Pages 13 - 18)

7. Update on Statement of Accounts 2023/24 and Annual Governance Statement (AGS) (Pages 19 - 23)

8. External Audit - Update

9. Quarter 1 2024/25 Treasury Management Update (Pages 25 - 36)

10. Internal Audit Progress Report (Pages 37 - 67)

11. Anti-Fraud and Corruption Policy, Strategy and Self-assessment against Fighting Fraud and Corruption Locally Checklist (Pages 69 - 116)

12. Audit Committee Forward Work Plan (Pages 117 - 124)

13. Assistant Chief Executive's Directorate Risk Register (Pages 125 - 144)

14. Items for Referral for Scrutiny

To consider the referral of matters for consideration by the Overview and Scrutiny Management Board.

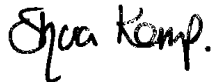
15. Urgent Business

To consider any item which the Chair is of the opinion should be considered as a matter of urgency.

16. Date and time of next meeting

The next meeting of the Audit Committee will be held on Tuesday, 26th November, 2024, commencing at 2.00 p.m. in Rotherham Town Hall.

**The next meeting of the Audit Committee will be held on:-
Tuesday 26 November 2024
commencing at 2.00 p.m.
in Rotherham Town Hall.**



Sharon Kemp OBE,
Chief Executive.

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AUDIT COMMITTEE
30th July, 2024

Present:- Councillor Marshall (in the Chair); Councillors Baggaley, Blackham and McKiernan and Michael Olugbenga-Babalola (Independent Person).

Apologies for absence were received from Councillor Elliott and Alison Hutchinson (Independent Person) and Grant Thornton (External Auditors).

14. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

15. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

There were no members of the public or press present at the meeting.

16. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for Minute No. 22 (Risk Management Annual Summary 2023-24 and Corporate Strategic Risk Register Update) as defined in Paragraph 3 of Part I of Schedule 12A of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

17. MINUTES OF THE PREVIOUS MEETING HELD ON 25TH JUNE, 2024

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 25th June, 2024.

Resolved:- That the minutes of the previous meeting be approved as a correct record of proceedings.

18. HIGH NEEDS/SAFETY VALVE PROGRAMME - 2023/24

Joshua Amahwe, Head of Finance CYPS, presented a report outlining the 2023/24 performance against the approved Safety Valve Agreement (with the Department of Education) and the recovery plans in place to enable Rotherham to achieve financial sustainability and operate within its annual financial allocation over future years.

The report also highlighted the financial position of the Dedicated Schools Grant (DSG) High Needs Budget in 2023/24 and the projected accumulated deficit position over the life of the Safety Valve Agreement.

Ongoing monitoring had taken place with quarterly meetings between the DfE (assigned SEND advisor) and the Council to both support delivery

and hold accountability of the Safety Valve Agreement. This support and challenge process also allowed emerging challenges to be shared and a vigorous oversight of plans to be undertaken.

Rotherham was on track in 2023/24 and had delivered against all the conditions of its Agreement. Financial performance was also on track against the agreed DfE plan and the Agreement.

The report submitted outlined the progress made towards meeting the key conditions in the Safety Valve Agreement as well as Phase 4 of the SEND Sufficiency Plan.

The Local Authority would continue to update the DSG management plan as part of the Safety Valve Agreement to reflect changes in the Council's deficit recovery plan. Ongoing monitoring would be in place across the lifespan of the programme with quarterly submissions to the DfE on progress and any risks it faced.

Discussion ensued with the following issues raised:-

- As at July 2024 the projected deficit was as estimated, however, it was a forecast and there were still pressures within the system/increase in numbers/continual submission of cases of EHCP assessments/inflation etc. all of which created uncertainty and something that had to continue to be managed
- The deficits were included in CYPS budgets because of the DSG. It was ringfenced funding and sat outside the Council's General Fund budget and services funded by Council Tax payers although the Council was still accountable for how the funding was used. At this point in time the legislation and regulation required local authorities to treat them as 2 separate budget streams, ringfenced in terms of DSG, however, it was expected that that protection would cease next year and become part of the Council to manage from the deficit point of view
- The deficit was already allowed for within the CYPS budget and there was no additional risk or pressure for the Council. This was a national issue and not just Rotherham. Many local authorities had not received the Safety Valve funding and when the Government removed the DSG override it would put many councils in significant difficult financial positions
- There was close work with schools with regard to the budget. Schools needed to ensure that they used resources appropriately in the right place for children and address value for money

Resolved:- (1) That the progress in the recovery actions being taken via the Safety Valve Programme to manage the Dedicated School Grant

(DSG) deficit in Rotherham be noted.

(2) That the 2023/24 financial position of the DSG High Needs Budget and accumulated DSG deficit at the end of the Safety Valve Programme be noted.

19. REVIEW OF SURVEILLANCE AND USE OF REGULATION OF INVESTIGATORY POWERS

Bal Nahal, Head of Legal Services, presented an update on the Council's use of surveillance and acquisition of communication data powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA).

As previously with the Office of Surveillance Commissioners (OSC), the Council was required to notify the Investigatory Powers Commissioners Office of the number of directed surveillance/CHIS authorisations granted in each financial year. Since the last report, the Council had not used its powers under RIPA to use directed surveillance, covert human intelligence sources or to acquire communications data. A statistical return was completed and submitted to the Investigatory Powers Commissioners Office (IPCO) on 7th December, 2023.

External training was provided to all officers involved or likely to be involved in the use of the powers provided under the RIPA legislation on 13th and 14th June, 2023. More recently, and to ensure that this training was up-to-date and new staff joining were aware of their roles, a further session was held on 12th and 26th June, 2024. The purpose of this was to further reduce any potential risk arising from any unauthorised activity.

In accordance with the revised Home Office Codes of Practice, the use of RIPA and review of the Policy was reviewed and re-adopted by the Audit Committee on 27th July, 2023 consisting of minor changes to personnel and references to revised Codes of Practice. The Policy had been reviewed and, as there had been no changes to guidance or Codes of Practice, it had not required any significant amendment, only minor amendments in respect of personnel.

Resolved:- (1) That the Audit Committee note that the Council had not made use of surveillance or acquisition of communication data powers under the relevant legislation since it was last reported on 25th January, 2023.

(2) That the RIPA Policy with the minor amendments relating to personnel and references to the Code of Practice be approved.

20. TREASURY MANAGEMENT OUTTURN 2023-24 AND SUMMARY PRUDENTIAL INDICATORS ROTHERHAM MBC

Consideration was given to the report presented by Natalia Govorukhina, Head of Corporate Finance, which detailed how the Council approved the Treasury Management Strategy in March, 2023 and received a mid-year report in November 2023, representing a mid-year review of treasury activity during 2023/24.

The Annual Treasury Management report was the final treasury report for 2023/24. Its purpose was to review the treasury activity for 2023/24 against the Strategy agreed at the start of the year.

The report also covered the actual Prudential Indicators for 2023/24 in accordance with the requirements of the Prudential Code. Presentation of the report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

The Council was required to comply with both Codes through Regulations issued under the Local Government Act 2003.

Appendix 1 of the report submitted gave a summary of the Prudential Indicators for the Council.

The underlying economic and financial environment remained difficult for the Council to predict. The Bank of England Base Rate increased from 4.25% to 5.25% during 2023/24 as the Bank of England increased interest rates to control inflation. Whilst inflation was reducing, the Bank of England Base Rate was being held, keeping borrowing and investment rates high.

In 2023/24 the Council continued its strategy of utilising cash balances to minimise the requirement for additional borrowing. The Council has held significant cash balances and has been able to invest them for a greater return given current high interest rates which generated additional interest income during the year.

Taken together, the reduced borrowing need, additional returns on investments, and further slippage on the Council's Capital Programme had enabled the Council to transfer £11.3m to support the Council's Budget and to support the Council's Medium Term Financial Strategy to 2026/27 as approved within the Council's Budget and Council Tax Report 2024/25.

It was noted that the report had been considered by Cabinet at its meeting on 29th July, 2024.

Discussion ensued on the report with the following issues raised/clarified:-

- It was normal practice to borrow from other local authorities/mayoral combined authorities and was in line with the Council's Treasury Management Strategy
- During the year a total of £31.2m of principal on existing loans had been repaid. This has been refinanced by £55m of new loans. The Council would continue to monitor the interest position with a view to take out further long term borrowing if there were dips in the long term borrowing rates but currently was utilising short term borrowing to cover immediate borrowing need in anticipation of lower rates in the future
- Interest rates were monitored regularly

Resolved:- That the Financial Outturn 2023/24 – Treasury Management and Prudential Indicators - be noted.

21. EXTERNAL INSPECTIONS, REVIEWS, AND AUDITS UPDATE

Consideration was given to a report, presented by Tanya Lound, Corporate Improvement and Risk Officer, providing details of recent external inspections, reviews and audits as well as a summary of progress against the recommendations from all external inspections, reviews and audits setting out details of arrangements for ensuring the accountability and governance around their implementation.

Since the last report to Committee in January 2024, 11 external inspections, reviews and audits had taken place. In total 17 recommendations/areas for improvement had been completed since the last report and 6 had been closed. There were 19 recommendations/areas for improvement which remained ongoing, 5 of which were delayed, however, none were delayed more than 12 months.

The report set out details of the 11 inspections, reviews and audits that had taken place since January 2024 in Children and Young People's Services, Adult Care, Housing and Public Health, Regeneration and Environment Services and Finance and Customer Services.

In addition, there were 3 annual audits that remained ongoing.

Resolved:- (1) That the external inspections, reviews and audits that had taken place since the last report be noted.

(2) That the progress made in relation to recommendations/areas for improvement and the governance arrangements in place be noted.

(3) That the Audit Committee continue to receive regular reports.

22. RISK MANAGEMENT ANNUAL REPORT AND STRATEGIC RISK REGISTER

Simon Dennis, Corporate Improvement and Risk Manager, submitted the Risk Management Annual Summary 2023-24 and Corporate Strategic Risk Register update.

The report summarised the principal risk management activity that had been carried out in the Council throughout the past financial year. It covered a wider range of topics than the regular report on the Corporate Strategic Risk Register and aimed to cover both the movements in strategic risks that had occurred over the period and the key elements of the Council's risk management activity throughout the year.

The heat map derived from the Corporate Strategic Risk Register update at the end of 2023/24 showed the risk profile. The total number of strategic risks remained at 13 over the period April 2023 to March 2024 with 2 risks removed in the year and 2 new risks added. Of the risks that remained on the strategic register, 4 had decreasing risk scores, one saw an increase in its risk score and 6 remained constant.

The current heat map as at 16th July, 2024, showed no risks had been removed and one risk had been added. It showed that the long term pattern of assessed risk level had continued to broadly reduce over the last 2 years. This reflected the continued increasing grasp on the key risks that needed to be managed at a strategic level and the improved risk position following the end of the Covid pandemic. Since December 2022 approximately 43% of risks monitored at a strategic level had reduced in assessed level, 37% had remained stable and 20% had either increased or were new to the register.

The rollout of the online training was the final element in the refresh of the Council's training provision. 91 M2 managers had attended training courses since the 2023 report with 280 having completed the training since its relaunch in January 2022. The remaining 4 courses scheduled for the remainder of the calendar year were close to full capacity. A face-to-face option has recently been introduced for the M2 manager course. The impact of both options would need to be evaluated over the next 12 months.

Discussion ensued with the following issues raised/clarified:-

- SLT09 (Hope and Confidence in Rotherham) – consideration should be given to increasing the impact score from 2
- The reasons for the downgrading of risk rating for SLT10 (Business Growth)

Resolved:- (1) That the annual summary of risk management activity and updates to the Corporate Strategic Risk Register be noted.

(2) That the Head of Communications/Assistant Chief Executive give consideration to increasing the impact score relating to SLT09 (Hope and

Confidence in Rotherham) and report back to the September meeting of this Committee.

(3) That the rationale for the downgrading of the risk rating for SLT10 (Business Growth) be submitted to the September meeting of this Committee.

(4) That the Assistant Director, Customer Information and Digital Services, be invited to the September meeting of the Committee to present a report on PSTN (Public Switched Telephone Network).

(Appendices 1 and 2 were exempt under Paragraph 3 (information relating to the financial or business affairs of any particular person (including the Council) of Part 1 of Schedule 12A))

23. AUDIT COMMITTEE ANNUAL REPORT 2023-24

Consideration was given to a report presented by Louise Ivens, Head of Internal Audit, which summarised the work undertaken by the Audit Committee. Production of this report complied with current best practice for audit committees. It allowed the Audit Committee to demonstrate it had fulfilled its terms of reference and share its achievements with the Council.

The Audit Committee Annual Report 2023/24 included details of the main outcomes and improvements, Committee membership during that period, a summary of the work undertaken, information on self-assessment evaluation and training and development along with listing the Committee's Terms of Reference. The updated Terms of Reference had been approved at Council on 19th July, 2023 (Minute No. 219 refers).

It was noted that a self-assessment had been carried out in March 2024 against checklists from the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. The last evaluation of Audit Committee Members' Knowledge, Skills and Training Needs was undertaken some time ago. The CIPFA 2022 guidance recommended such an evaluation be carried out within a 2 year period and, as the membership had changed significantly, an evaluation will be completed in 2024 with the results feeding into the training and development plan.

Resolved: That the draft Audit Committee Annual Report 2023/24 be approved for submission to Council.

24. AUDIT COMMITTEE FORWARD WORK PLAN

AUDIT COMMITTEE - 30/07/24

Consideration was given to the proposed forward work plan for the Audit Committee for September 2024 to June 2025. The plan showed how the agenda items related to the objectives of the Committee. It was presented for review and amendment as necessary.

Resolved: That the Audit Committee forward work plan, as now submitted with the addition of a report on PSTN to the September meeting, be approved.

25. ITEMS FOR REFERRAL FOR SCRUTINY

There were no items for referral.

26. URGENT BUSINESS

There was no urgent business for consideration.

Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Update on the Public Service Telephone Network

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Luke Sayers, Assistant Director- Customer, Information and Digital Services

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Ward(s) Affected

Borough-Wide

Report Summary

This report is to highlight the work being undertaken by the Council to ensure that all Council services are not negatively impacted by the national shutdown of the Public Service Telephone Network.

Recommendations

The Audit Committee is asked to: -

1. Note the contents of the report.
2. Note the work being undertaken to ensure that all residents and Council services are not negatively impacted by the changes.

List of Appendices Included

None

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Public Service Telephone Network

1. Background

- 1.1 This report is to provide reassurance that the Council is taking all necessary steps to ensure that the Council and the residents of the Borough are not negatively impacted by the withdrawal of the Public Service Telephone Network (PSTN).
- 1.2 Openreach first announced in 2017 that the PSTN would be shutdown nationally on 31st December 2024.
- 1.3 The PSTN is used to make 'standard' telephone calls on a landline or for other services that use this technology such as lift alarms, house alarms, some traffic lights and cameras.
- 1.4 The Council's main telephone system does not use PSTN technology so is not impacted.
- 1.5 The government have now announced that the date for the service to cease has been delayed until 31st January 2027.
- 1.6 The Council has setup a project group to identify all areas and functions of the Council that use PSTN. This group has since set in place several projects to install replacement systems and technologies to ensure that all services are fully functioning before the closure of the PSTN system.

2. Key Issues

2.1 Planning

- 2.1.1 The majority of work is now completed to identify systems that use PSTN. These include:
 - Telephones at several smaller Council premises.
 - Lift alarms.
 - Some traffic lights although most do not use PSTN.
 - Some Close Circuit Television cameras (CCTV) although most do not use PSTN.
 - Alarms for Rothercare users.
- 2.1.2 All suppliers of any system using PSTN have been contacted to ensure they have appropriate, timely plans in place to complete any work that falls under their responsibility to ensure the Council remains fully functional.

2.2 Implementation

- 2.2.1 Rothercare is the main area of focus for the Council due to the considerable number of residents impacted by the changes and the vulnerability of these residents. An Adult Care team is managing this project to ensure that all alarm boxes within residential properties are replaced with new boxes which will use a combination of sim cards and internet connections (where available). A number of these boxes have already been replaced with work

continuing at pace. All new users of Rothercare service are automatically setup using the new technology.

- 2.2.2 Data Sharing Agreements are being put in place with all telecoms providers to assist with identifying vulnerable residents, particularly Rothercare users, to ensure they are not transitioned to new systems before a proper assessment of their needs has been undertaken. In conjunction with the RMBC Information Governance Team, agreements have been signed off by Legal Services and been sent to Vodafone, BT and Virgin Media.
- 2.2.3 Housing Services have been reviewing their managed properties to identify PSTN lines and have been requested to provide an update on this to the project team as soon as possible. This includes lift alarms, burglar and fire alarms, CCTV and door entry systems.
- 2.2.4 Work is ongoing with the service owners of all RMBC PSTN lines – lift alarms, CCTV, traffic signalling, fire and burglar alarms, traditional phone lines. The majority have been identified, with more than 200 lines already cancelled or transitioned to new services. Digital Services are working with Directorates to ascertain if the remaining 180 PSTN lines should be replaced by a 4G SIM, the Main Council phone system, or a new corporate line into an RMBC building. Meetings are taking place with services to agree the best replacement method in each situation.
- 2.2.5 Asset Management met with all the main suppliers and maintenance contractors in respect of fire and security alarms, in February 2024. Unfortunately, they were unable to confirm the plans they had in place in preparation for PSTN closedown. A list of lift and alarm PSTN connections against each building has been prepared and is subject to regular review with Asset Management colleagues, who will ensure a plan is agreed with each contractor.
- 2.2.6 School kitchens are to be provided with a standard mobile phone as a replacement for current PSTN landlines. Work has been undertaken with the service to identify all kitchens where this will be needed. Orders are being placed and the service will undertake testing of signal availability in each school before the PSTN line is finally ceased.
- 2.2.7 Contact has been made with the Education Service. A communication plan is being devised to include messages to schools, especially maintained schools; to advise they undertake their own impact assessment and develop action plans.

- 2.2.8 A meeting has been held with Emergency Planning where agreement was reached that PSTN lines that relate to their service can be ceased once their current stock of mobile phones has been refreshed. An order has been placed for the devices and associated SIMs.
- 2.2.9 Updated billing has been received from BT and Vodafone and further analysis will take place to identify CCTV and Traffic systems PSTN lines. A plan for replacement will be agreed with services.
- 2.2.10 A full programme of activities has been drawn together, which is being used to provide visibility and measure progress.
- 2.2.11 A programme Communication plan is being developed with the Corporate Communications Team to include messages for residents, schools, community groups and Members.
- 2.2.12 A landing page on the Council website has gone live. The information is located within the 'Community and Living' section. [Rotherham Analogue to Digital Telephone Switchover: Information for Residents – Rotherham Metropolitan Borough Council](#)
- 2.2.13 Initial discussions have begun with Organisational Development to develop internal staff communications. All RMBC staff will be notified of the PSTN closedown so that family and friends can be made aware. This assists with advising the residents of the borough.

3. Options considered and recommended proposal

- 3.1 The Council continues to work to a completion date for all work of 31st December 2024 in line with the original switch off date. This will allow for confidence that all new systems are fully functional, a considerable time before the official switch off date of 31st January 2027.

4. Consultation on proposal

- 4.1 None

5. Timetable and Accountability for Implementing this Decision

- 5.1 None

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 There are no direct financial or procurement implications arising from this report. Where the procurement of third party organisations is required to support the switch, the procurement team are working with services to ensure compliance with the Public Contracts Regulations 2015 and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 There are no legal implications arising from this report, except to reiterate that the council has a duty to comply with Data Protection legislation.

8. Human Resources Advice and Implications

8.1 There are no direct implications for HR arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no direct implications for children and young people or vulnerable adults arising from this report.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct equalities or human rights implications arising from this report.

11. Implications for Partners

11.1 There are no direct implications for partners arising from this report.

12. Risks and Mitigation

12.1 Risks and mitigation will be managed by council's risk processes.

13. Accountable Officer(s)

Luke Sayers, Assistant Director- Customer, Information and Digital Services
luke.sayers@rotherham.gov.uk

Report Author:

Luke Sayers, Assistant Director- Customer, Information and Digital Services
luke.sayers@rotherham.gov.uk

This report is published on the Council's [website](#).

Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Update on Statement of Accounts 2023/24 and Annual Governance Statement (AGS)

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

Under the Accounts and Audit Regulations 2015, local authorities were required to publish their unaudited accounts no later than 31 May 2024, for the financial year 2023/24, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the final publication of the Council's audited accounts is 30th September 2024.

Grant Thornton are unable to conclude the audit of the accounts by 30th September. This was confirmed to Audit Committee on 25th June as part of their Audit Plan and reflects ongoing national challenges in public sector audit services.

As such, the Council is not able to present an audited set of accounts to the Audit Committee, nor a final or draft ISA 260 report as insufficient progress has been made to date on the audit to allow for this. This report provides an update on the Draft Statement of Accounts 2023/24 and any amendments identified as part of the ongoing audit.

The external audit will continue and once that has been completed, a final audited Statement of Accounts, Narrative Report and ISA260 will be brought to Audit Committee for consideration.

At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts.

Grant Thornton are not able to confirm their audit opinion in respect of the Council's value for money arrangements.

Recommendations

1. Note the progress on the audit of the Statement of Accounts 2023/24
2. Note that the audited Statement of Accounts, Narrative Report and ISA260 will be brought to a future Audit Committee for review once Grant Thornton have completed their audit work.
3. Note the update on the Annual Governance Statement.

List of Appendices Included

None

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24
Accounts and Audit Regulations 2015
Audit Committee meeting – 25 June 2024

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Closure of the Accounts 2023/24

1. Background

- 1.1 At the Audit Committee meeting on 25th June 2024 members received Grant Thornton's Audit Plan for 2023/24 which set out the audit approach Grant Thornton planned to take to discharge their audit objectives and the risks they had identified in relation thereto. Grant Thornton indicated that they would not be able to meet the statutory deadline for publishing the audited accounts. The Audit Plan stated a target date of late November to early December 2024 for the Audit Opinion.
- 1.2 In order to complete the audit process in compliance with the Accounts and Audit Regulations 2015, the Audit Committee, as the body charged with governance within the Council, is required to formally resolve that the Statement of Accounts and Narrative Report be approved for publication. The period for local electors to exercise their rights to ask questions of the auditor or to raise a formal objection that an item of account is unlawful has expired. However, as the external audit of the accounts has not been completed the Council cannot present to members an audited set of accounts with an audit opinion for consideration.
- 1.3 Should any material issues be identified as part of the ongoing external audit of the accounts, leading to a change in the accounts being required then Audit Committee will be updated on that change at the point the external audit completes and the ISA260 report is presented for consideration.
- 1.4 The Accounts and Audit Regulations require the Council to produce an Annual Governance Statement (AGS) alongside its Statement of Accounts in each financial year. The AGS is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively. Local Authorities are required to prepare an AGS in order to report publicly on the extent to which they comply with their own Local Code of Governance. The draft 2023/24 AGS was published on 31st May 2024.

2. Key Issues

- 2.1 A number of minor amendments to the Draft Statement of Accounts have been agreed to date but none of these have any impact to the useable reserves of the Council. These will be incorporated into the final Statement of Accounts before Grant Thornton is planning to give the audit opinion.
- 2.2 At this point Grant Thornton are not able to confirm their audit opinion on the Statement of Accounts or the value for money arrangements.

- 2.3 On the 25th June 2024 the Audit Committee received the Council's draft AGS for the 2023/24 financial year. Although the AGS relates to the 2023/24 financial year, it must be up to date at the time of publication and must include any planned changes in the coming year. Work to update the AGS is ongoing, and a final AGS will be presented to the November Audit Committee for approval alongside the audited financial statements, subject to Grant Thornton completing the external audit work.

3. Options considered and recommended proposal

- 3.1 There is no discretion on whether to comply with the Code of Practice on Local Authority Accounting or the Accounts and Audit Regulations 2015. The purpose of the recommendations is for Audit Committee to meet its responsibilities in relation to the closure of the accounts.

4. Consultation on proposal

- 4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The statutory deadline for publishing the audited financial statements is 30th September 2024.

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial or procurement implications directly associated with this report, other than continuing to produce good quality financial statements and supporting working papers which meet Grant Thornton's expectations and will help to minimise the audit fee.

7. Legal Advice and Implications

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resource implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

10. Equalities and Human Rights Advice and Implications

10.1 There are no implications arising from this report to Equalities and Human Rights.

11. Implications for CO2 Emissions and Climate Change

11.1 No direct implications.

12. Implications for Partners

12.1 There are no other implications arising from this report to Partners.

13. Risks and Mitigation

13.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

14. Accountable Officer(s)

Judith Badger (Strategic Director of Finance & Customer Services)

*Report Author: Natalia Govorukhina (Head of Corporate Finance)
Finance & Customer Services Directorate
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Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Quarter 1 2024/25 Treasury Management Update

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Tom Soulby

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Ward(s) Affected

Borough-Wide

Report Summary

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that Members are updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

This report is the quarter 1 review for 2024/25. It incorporates the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).

It is also a requirement that any proposed changes to the 2024/25 prudential indicators are approved by Council.

Recommendations

1. Audit Committee is asked to note the contents of the report.

List of Appendices Included

Appendix 1 – Prudential and Treasury Indicators for 2024-25 as of 30th June 2024

Background Papers

Budget and Council Tax Setting Report 2024/25 to Council on 28th February 2024, Including the Treasury Management Strategy 2024/25

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No.

Council Approval Required
No

Exempt from the Press and Public
No.

1.	Background
1.1	Quarter 1 Treasury Review – The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that Members are updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.
2.	Key Issues
2.1	Quarter 1 Treasury Review – The review as set out in the Appendix 1 provides Members with details of performance against agreed treasury and prudential indicators.
2.2	<p>a. Investments - the primary governing principle remains security over return and the criteria for selecting counterparties continues to reflect this.</p> <p>b. Borrowing – The Council will maintain its strategy of being under-borrowed against the capital financing requirement. The Council has borrowed £35m in the year to date. This has been used to refinance short term borrowing as it matured, as well as financing the Capital Programme.</p> <p>It is anticipated that further borrowing will be required before the end of 2024/25. As previously reported, the Council will predominantly adopt a short-term borrowing strategy to cover this borrowing need in anticipation of lower interest rates in the medium term. There is a discounted rate with the PWLB for borrowing long term funds specifically for HRA purposes which is available until June 2025. Depending on the prevailing interest rate position the Council may utilise this rate for some long term borrowing. The borrowing position will remain under review.</p> <p>c. Governance - strategies and monitoring are reviewed by Audit Committee.</p> <p>d. Whilst the Council’s approach to Treasury Management in recent years, utilising short term borrowing in particular, has generated significant savings for the Council, essential to achieving balanced budgets, the future outlook is more challenging. It should be noted that it is expected that borrowing rates have now peaked and will reduce over the next couple of years, linked to the recent fall in inflation which is now 2.2% and much closer to the Bank of England’s target 2% level.</p>
3.	Options considered and recommended proposal
3.1	Quarter 1 Treasury Review – The review as set out in the Appendix indicates performance is in line with the plan and no proposals to vary the approach for the remainder of the year are proposed.

4.	Consultation on proposal
4.1	The continuing approach to treasury management has been discussed with the Council's external Treasury Management Advisers, Link Asset Services, who have confirmed this is a prudent approach given current market conditions. Link Asset Services will continue to monitor borrowing rates and inform the Council if there are opportunities to borrow at advantageous rates.
5.	Timetable and Accountability for Implementing this Decision
5.1	The report is for Audit Committee information and noting.
6.	Financial and Procurement Advice and Implications
6.1	Treasury Management forms an integral part of the Council's overall financial arrangements. For the financial year 2024/25 the Treasury Management budgets are estimated to provide an underspend that will help support the Council's overall budget pressures, through the income generated through the investment strategy.
6.2	The current strategy is to maintain the Council's position of being under-borrowed against the Capital Financing Requirement. The Council is forecast to require additional borrowing before the end of the 2024/25 financial year. This borrowing will be taken on a short-term basis to avoid exposure to currently high interest rates in anticipation of lower rates in future years. There is a possibility of taking some long term borrowing from the PWLB at the discounted HRA rate. A further update will be provided as part of the Council's mid year Treasury Management report.
6.4	There are no direct procurement implications arising from this report.
7.	Legal Advice and Implications
7.1	It is a requirement that changes to the Council's prudential indicators are approved by Council
8.	Human Resources Advice and Implications
8.1	There are no Human Resource implications arising from the report.
9.	Implications for Children and Young People and Vulnerable Adults
9.1	The report does not impact the Children's and Adult Social care budgets.
10.	Equalities and Human Rights Advice and Implications
10.1	There are no implications arising from this report to Equalities and Human Rights.

11.	Implications for CO2 Emissions and Climate Change
11.1	No direct implications.
12.	Implications for Partners
12.1	There are no implications arising from this report to Partners or other directorates.
13.	Risks and Mitigation
13.1	Regular monitoring of treasury activity ensures that risks and uncertainties are addressed at an early stage and hence kept to a minimum.
14.	Accountable Officers
	Rob Mahon, Assistant Director Financial Services
	Natalia Govorukhina, Head of Corporate Finance

Report Author: Tom Soulby, Principal Finance Officer (Treasury)

This report is published on the Council's [website](#).

Quarter 1 Prudential Indicators and Treasury Management Monitoring

1. Introduction and Background

- 1.1 The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.
- 1.2 The underlying purpose of the report supports the objective in the CIPFA Code of Practice on Treasury Management and the Communities & Local Government Investment Guidance. This states that Members receive and adequately scrutinise information on the treasury management service.
- 1.3 The underlying economic and financial environment remains difficult for the Council, on investment the main challenge relates to concerns over investment counterparty risk. This background encourages the Council to continue maintaining investments short term and with low risk counterparties. In the period covered by this report the Bank of England base rate remained at 5.25% which has significantly increased the interest available on investments. The base rate was subsequently reduced to 5% on the 1st of August.
- 1.4 The Council has undertaken £35m of new borrowing in the year to date. This has been used to refinance existing borrowings as they matured as well as financing capital activity.
- 1.5 PWLB rates fluctuate, during quarter 1 of 2024/25 the rates have seen highs of 5.61% for a 50 year PWLB loan and lows of 5.43%. These are the highest rates for a number of years. This further emphasises the positive deals that the Council took during 2021/22, with the £227m being borrowed at an average of 1.53%. Short term borrowing rates have started to decrease with 6 month borrowing rates standing at around 5.2%, compared with 5.6% in September 2023. The Council keeps interest rates under constant review within its borrowing strategies and decisions on the mix of long-term and short-term borrowing.
- 1.6 The Strategic Director Finance & Customer Services can report that the basis of the Treasury Management Strategy, the Investment Strategy and the PIs have not changed from that set out in the approved Treasury Management Strategy (Council February 2024).

2. Annual Investment Strategy

2.1 Key Objectives

The primary objective of the Council's Investment Strategy is safeguarding the repayment of the principal and interest of its investments on time – the investment return being a secondary objective. The current difficult economic and financial climate has heightened the Council's over-riding risk consideration with regard to "Counterparty Risk". As a result of these underlying market concerns, officers continue to implement an operational investment strategy which maintains the tight controls already in place in the approved Investment Strategy.

2.1.1 To mitigate the risk of interest rates rising and to take advantage of low long term PWLB interest rates £227m of PWLB borrowing was taken in the 2021/22 financial year. The proceeds of this borrowing have now been fully utilised to refinance other borrowing and finance the Capital Programme. As a result, the Council now carries a minimal cash balance and seeks additional borrowing only as and when required to reduce the cost of carry and in anticipation of reductions in interest rates in the near future.

2.1.2 The Council has been investing any cash surpluses into Money Market Funds which at the end of quarter 1 had interest rates of between 5.15% and 5.26%. The process for using MMF's is very efficient and effective, with the added benefit that the funds the Council can access are all AAA rated. The Council also has the option to invest with the Debt Management Office (DMO, 5.19%), Bank Deposits (e.g. Goldman Sachs, 5.22%, min. 3 months) and Other Local Authorities (5.15% for 3 months). All interest rates quoted are as at the end of quarter 1.

2.2 Current Investment Position

The Council held £34.510m of investments at 30 June 2024, and the constituent parts of the investment position are:

Sector	Country	Up to 1 year £m	1 - 2 years £m	2 – 3 years £m
Banks	UK	0.000	0	0
Local Authorities	UK	0.000	0	0
MMF's	UK	34.510	0	0
Total		34.510	0	0

2.3 Risk Benchmarking

A regulatory development is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are requirements to Member reporting and the following reports the current position against the benchmarks:

2.3.1 **Security** – The Council monitors its investments against historic levels of default by continually assessing these against the minimum criteria used in the Investment Strategy. The Council’s approach to risk, the choice of counterparty criteria and length of investment ensures any risk of default is minimal when viewed against these historic default levels.

2.3.2 **Liquidity** – In respect of this area the Council set liquidity facilities/benchmarks to maintain:

- Bank overdraft – the Council does not currently have an agreed overdraft. Whilst an overdraft could be negotiated, less expensive short-term borrowing can be accessed through the financial markets.
- Liquid short-term deposits of at least £3m available within a week’s notice.

The Strategic Director for Finance & Customer Services can report that liquidity arrangements were adequate during the year to date.

2.3.3 **Yield** – a local measure for investment yield benchmark is internal returns above the Overnight Sterling Overnight Index Average (SONIA).

The Strategic Director for Finance & Customer Services can report that the return in quarter 1 averages 5.216%, against an average Overnight SONIA to the end of June 2024 of 5.199%. The average rate of return has increased as investments placed in previous years when interest rates were much lower have matured and been replaced with better performing investments.

Based on the Council’s current average cash investments of £28m, the additional return achieved over the benchmark rate is £4.7k.

3. **Borrowing**

3.1 The first key control over the treasury activity is a Prudential Indicator (PI) to ensure that over the medium term, gross and net borrowing will only be for a capital purpose. Gross and net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which would only be undertaken if this proves prudent to do so.

3.2 Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement - CFR), new external borrowing of £35m was undertaken in the quarter. The details of this borrowing are:

Lender	Amount	Interest rate	Maturity date
West Yorkshire Combined Authority	£15,000,000	5.1%	May 2025
PWLB	£20,000,000	4.77%	July 2026

- 3.3 The Council continues to pursue a strategy of committing to short term borrowing only, in the expectation that interest rates will fall in the near future. This is in line with the advice of our treasury advisors.
- 3.4 During the three months to 30 June 2024, the Council has repaid principal on long term maturity and annuity loans from the PWLB, and loans from the Local Authority lending market. The principal repaid, and interest rates are detailed in the table below. There are 5 Annuity loans on which variable amounts of principal are repaid each six months.

Lender	Principal	Type	Interest Rate %
PWLB	£5,000,000	Fixed Rate (Maturity)	5.63
PWLB	£111,414	Fixed rate (Annuity)	Various
Local Authority	£5,000,000	Temp	0.48
Local Authority	£5,000,000	Temp	0.80
Local Authority	£5,000,000	Temp	0.55

4. Compliance with Treasury and Prudential Limits

- 4.1 The prudential and treasury Indicators are included below.
- 4.2 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 30th June 2024, the Council has operated within the Treasury and Prudential indicators set out in the Council's Treasury Management Strategy Statement for 2024/25. The Director of Finance and Customers Services reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 4.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.
- 4.4 Treasury Management advice continues to be provided by Link Asset Services Treasury Solutions (LAS). They were appointed for a three year term in January 2022 following a procurement exercise.

Prudential and Treasury Indicators for 2024-25 as of 30th June 2024

Actual and estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (financing costs net of interest and investment income) against the net revenue stream.

	2024/25 Original Indicator %	June 2024/25 Position %
Non-HRA	12.66	8.19
HRA	13.70	14.49

The current position reflects in-year changes to the Capital Programme and minor fluctuations in interest rates.

Authorised limit and operational boundary for external debt

This indicator confirms the Council's compliance with its authorised limit and operational boundary for external debt as at the end of June 2024. The figure for gross external debt includes other long term liabilities such as leases and PFI agreements.

Treasury Indicators	2024/25 Budget £'000	June Actual £'000
Authorised limit for external debt	1,054.76	
Operational boundary for external debt	937.078	
Gross external debt	907.078	761.592
Investments	20.000	34.510
Net borrowing	887.078	727.082

Prudential indicator limits based on debt net of investments

- **Upper Limits on Fixed Rate Exposure** – This indicator covers a maximum limit on fixed interest rates.
- **Upper Limits on Variable Rate Exposure** – Similar to the previous indicator this identifies a maximum limit for variable interest rates based upon the debt position net of investments.

RMBC	2024/25 Original Indicator	June Position
Limits on fixed interest rates based on net debt	100%	86.20%
Limits on variable interest rates based on net debt	50%	13.80%

Maturity Structures of Borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing.

RMBC	2024/25 Original Indicator		June Position	
	Lower	Upper	%	£m
Under 12 months	0%	50%	3.83%	25.000
12 months to 2 years	0%	35%	11.50%	75.000
2 years to 5 years	0%	45%	3.07%	20.000
5 years to 10 years	0%	45%	1.53%	10.000
10 years to 20 years	0%	45%	5.68%	37.067
20 years to 30 years	0%	50%	4.68%	30.521
30 years to 40 years	0%	50%	11.62%	75.815
40 years to 50 years	0%	60%	43.53%	284.000
50 years and above	0%	60%	14.56%	95.000

Total Principal Funds Invested

These limits are set to reduce the need for the early sale of an investment, and show limits to be placed on investments with final maturities beyond each year-end.

The Council currently has no sums invested for periods exceeding 364 days due to market conditions. To allow for any changes in those conditions the indicator has been left unchanged.

RMBC	2024/25 Original Indicator £m	June Position £m
Maximum principal sums invested > 364 days	10	0
Cash deposits	10	0

Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Internal Audit Progress Report for the period 1st May to 31st July 2024

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This Progress Report provides the Committee with an up to date position on the Internal Audit Plan, a summary of Internal Audit work completed during the period 1st May to 31st July 2024 and the key issues that have arisen from it, along with the status of actions arising from audits. It also provides information regarding the performance of the Internal Audit function during the period.

Recommendations

That the Audit Committee is asked to:

1. Note the Internal Audit work undertaken since the last Audit Committee, 1st May to 31st July 2024, and the key issues that have arisen from it.
2. Approve the performance objectives of Internal Audit and the actions being taken by audit management in respect of meeting the performance objectives.

List of Appendices Included

Appendix A – Internal Audit Progress report and Plan 2024/25
Appendix B – Summary of work completed since the last meeting
Appendix C – Internal Audit Performance Dashboard
Appendix D – Client Satisfaction Survey responses
Appendix E – Quality Assurance and Improvement Programme
Appendix F - Investigation completed

Background Papers

Public Sector Internal Audit Standards and Associated Local Government Application Note.
Accounts and Audit (England) Regulations 2015

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Appendix F Partially exempt

An exemption is sought for Appendix F under Paragraph 7 (Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime)

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1. Background

- 1.1 CIPFA guidance for Audit Committees in Local Authorities gives the Audit Committee a clear role in supporting the effectiveness of the internal audit process. This role is reflected in the Terms of Reference of the committee. To fulfil this role the committee receives updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. In addition, it receives information on performance relative to the audit plan.
- 1.2 Public Sector Internal Audit Standards require that the Head of Internal Audit reports periodically to the Audit Committee. This is reflected in the Audit Charter which provides for Progress Reports to be presented to the Audit Committee regarding the audit plan and progress against it; resource requirements; the results of audit activities; the tracking of audit recommendations; and the performance of the audit team. This report includes the position up to the end of July 2024 on the completion of the audit plan for 2023/24, commencement of the 2024/25 audit plan, the reports finalised between May and July 2024 and performance indicators for the team.

2. Key Issues

- 2.1 Internal Audit produced a risk-based Audit Plan for 2024/25 and presented it to the Audit Committee at its meeting on 12th March 2024. The plan is included at **Appendix A**.
- 2.2 Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix B**. Fourteen audits have been finalised since the last Audit Committee. The review of current performance indicators and changes proposed are included at **Appendix C** and are summarised at Section 6.4 of **Appendix A**. Client satisfaction questionnaires and results have been included in **Appendix D**. The Quality Assurance and Improvement Plan is included at **Appendix E** and will be included in each progress report rather than annually as was previously the case. **Appendix F** sets out the findings from an investigation that has been completed.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides a summary of Internal Audit work completed and the key issues arising from it for the period from 1st May to 31st July 2024 and information about the performance of the Internal Audit function during this period.

4. Consultation on proposal

- 4.1 The Internal Audit plan was produced after consultation with management teams. All Internal Audit reports referred to in this report have been discussed and agreed with management in the respective service areas.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its 26th September 2024 meeting. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report.

7. Legal Advice and Implications

- 7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

- 7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are:

“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”

8. Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 This document includes a report of progress against delivery of the Internal Audit Plan. A significant proportion of the Plan is devoted to the examination of risks facing Children and Young People’s Services and Adult Social Care.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct Equalities and Human Rights implications arising from this report.

11. Implications for CO₂ Emissions and Climate Change

11.1 There are no direct CO₂ and Climate Change implications arising from the report.

12. Implications for Partners

12.1 Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives, including those set out in the Council Plan.

13. Risks and Mitigation

13.1 An effective Internal Audit Service helps to minimise the Council's exposure to risk.

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

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Internal Audit Progress Report

1st May – 31st July 2024

1. Internal Audit Annual Plan

1.1 Internal Audit produced a risk-based Audit Plan for 2024/25 and presented it to the Audit Committee at its meeting on 12th March 2024. The plan is included at **Appendix A**. As highlighted at the last Audit Committee meeting, two audits have been transferred from the 2023-24 audit plan to quarter 4 of the 2024-25 audit plan as follows:

- Building Control – provide assurance after changes in regulations around payments and inspection visits.
- Health and Safety compliance - review key aspects of statutory compliance with the Council’s operational property estate managed by Facilities Management.

1.2 Those audits in the 2023-24 audit plan, where the final audit reports have not yet been issued, have been brought into the 2024-25 audit plan and the current position is noted on Appendix A. One audit has been removed from the 2023-24 audit plan. This was a corporate audit on contract management. A comprehensive review of procurement governance has been undertaken across all directorates which has included the procurement tendering process, managing suppliers’ performance against contract requirements and conducting timely and efficient planning for expiring contracts. The corporate audit was no longer required as the procurement governance audit included all areas identified for the review.

2. Audit work undertaken during the period resulting in an assurance opinion

2.1 Internal Audit provides an opinion on the control environment for systems or services which are subject to audit review. These are taken into consideration when forming our overall annual opinion on the Council’s control environment. There are four possible levels of assurance for any area under examination, these being “substantial assurance”, “reasonable assurance” “partial assurance” and “no assurance”. Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix B**. Fourteen audits have been finalised since the last Audit Committee.

3. Details of other Internal Audit activities undertaken not resulting in an assurance opinion

3.1 The table below sets out the work undertaken where we have not issued an audit report with an opinion. This highlights the range of activities that we have also undertaken in the period.

Audit Work Completed	Details of Work Undertaken, and Assurance Provided
Supporting Families April-June grant	<p>Testing on a representative sample of 10% of results to verify:-</p> <ul style="list-style-type: none"> (i) Families’ eligibility for the programme, and that (ii) Progress measures have been achieved. <p>In each case tested, appropriate supporting evidence has been verified with reference to the Department for Levelling Up, Housing & Communities National Supporting Families Outcome Framework.</p>

Bus Service Operators Grant	Grant claim validation to give assurance that the funds have been spent in accordance with those intended.
Contain Outbreak Management Fund	Grant claim validation to give assurance that the funds have been spent in accordance with those intended.
Housing Compensation Vouchers	Review of information supplied to the Compensation Complaints Panel. Assurance that figures relating to housing, were complete, accurate, justified and authorised.
Customer Services Efficiency Group	Participation in this group helps to ensure audit are informed of the latest areas the Group are working on, and where audit may wish to focus on at an early stage before changes to systems or ways of working are implemented.
Corporate Information Governance Group	Audit participation as a check and challenge member of the group which has an information assurance role on behalf of the Council.
Audit Queries and Advice	We have received and responded to a number of queries and requests for advice from directorates and service areas. We have also provided information to directorates of frauds in other Local Authorities as a proactive measure (Finance - direct debit fraud and creditor fraud; schools where a scammer had extracted banking information from a business manager, and Housing - housing tenancy fraud).

4. Anti-fraud and corruption work and investigations

- 4.1 In addition to the planned audit assurance work, Internal Audit also carries out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. There is currently one investigation ongoing, and one investigation report has been issued since the last committee meeting. A summary of this is set out in **Appendix F**.
- 4.2 The Anti-Fraud and Corruption Policy and Strategy has been refreshed and an assessment has been undertaken against best practice. This is a separate item on the Audit Committee agenda.
- 4.3 Government have released the draft data specifications for the National Fraud Initiative (NFI) to all participants. Internal Audit have contacted all relevant staff within the Council to request that they supply the data sets for Rotherham as at 30th September. Internal Audit will then quality check the data and upload to the NFI portal to meet the deadline.

5. Data analytics

- 5.1 Internal Audit are starting the journey with enhanced data analytics. This work will allow the introduction of an agile form of auditing, in conjunction with the audit plan. The potential benefits that data analytics will bring will be a wider scope of assurance within defined audits in the audit plan, use in proactive counter fraud work, and with development, continuous auditing in some areas.
- 5.2 A menu of approaches and software will be required. The starting point is with a level of skills and expertise on MS Excel which will be enhanced.

- 5.3 Detailed specifications will be developed to enable access to data in the most efficient and complete way, following assistance from colleagues in Digital Services. The aim wherever possible is to use any existing reports and data sets after the completion of independent verification and quality checks.
- 5.4 Two areas are currently being trialled, one linked to an audit within the audit plan, and another as part of the counter fraud proactive work. An update on this work will be provided in the next Audit Committee Progress Report.

6. Internal Audit performance indicators

- 6.1 As discussed in previous committee meetings, a review of performance indicators for the Internal Audit Service was included in the Quality Assurance and Improvement Plan as being an area for review.
- 6.2 The audit standards state that there should be a comprehensive set of targets which between them encompass all significant internal audit activities which includes obtaining stakeholder feedback. There are no mandatory performance indicators that internal audit should report upon.
- 6.3 The new Global Standards requirements require that:-
- The Chief Audit Executive (CAE) (the Head of Internal Audit at RMBC) must develop objectives to evaluate the internal audit function's performance. The CAE must consider the input and expectations of the board (the Audit Committee at RMBC) and senior management (Senior Leadership Team at RMBC) when developing the performance objectives
 - The CAE must develop a performance measurement methodology to assess progress toward achieving the functions objectives and to promote the continuous improvement of the internal audit function
 - When assessing the internal audit function's performance, the CAE must solicit feedback from the board and senior management as appropriate
 - The CAE must develop an action plan to address issues and opportunities for improvement
- 6.4 The review of current performance indicators and changes proposed are included at **Appendix C** and are summarised as follows;-

6.4.1 Draft reports issued within 15 working days of fieldwork being completed

Retain this indicator. This is considered to be a good indicator of how promptly the audit report has been compiled following the completion of audit testing and is important to ensure that any actions identified are highlighted to management in a timely manner. **Appendix C.**

6.4.2 (New) Final reports issued within 5 working days of customer response, target 90%

This will measure the timeliness between receiving final comments from the draft report and the issue of the final report. This is important to ensure that the final report is issued on a timely basis so that audit findings remain relevant and that the service can begin implementation of any action plans promptly. **Appendix C.**

6.4.3 Audits completed within planned time

Retain this indicator. This is considered to be a good indicator of performance in completing the audit work to the agreed time budget. Failure to achieve audits to planned timescales will increase the risk of failing to complete the wider assurance plan. **Appendix C.**

6.4.4 (Removal) Chargeable time / available time

Time available for completion of audits is calculated when the audit plan is produced. This is based on an estimation of the time auditors are available to work on audits and investigatory work, and excludes time for example for training and development, annual leave, estimation for sickness during the year etc. A better indicator of productivity is audit plan achievement over the year, and the value added by audits performed. Progress against the plan is already reported on a quarterly basis to the audit committee by the inclusion of Appendix A, which highlights the position of each audit, by directorate / crosscutting area. A table at **Appendix C** now shows the progress of the internal audit plan delivery analysed by the number of plan assignments by assurance type. These are assignments where a report is expected to be produced or where we are certifying grant claims. It does not include any consultative work, such as attending boards, that is reported in the other assurance work at Section 3.1.

Value added by the audit is measured through the client satisfaction questionnaires that are issued following every final audit report.

6.4.5 Client Satisfaction Survey responses – retain and enhance current reporting

More detailed information in the form of a graph, rather than a percentage satisfaction figure that currently used is proposed. This is more open and transparent and should help to highlight where any improvements in the audit process are required. This will be accompanied by any comments where written, as was previously the case. Please see **Appendix D.**

6.5.6 Quality Assurance and Improvement Plan

This has been historically reported to committee on an annual basis. The action plan itself and progress against it will now be reported during each quarterly progress report on **Appendix E**.

7. Management Response to Audit Reports

- 7.1 Following the completion of audit work, draft reports are sent to or discussed with the responsible managers to obtain their agreement to the report and commitment to the implementation of recommendations. This results in the production of agreed action plans, containing details of implementation dates and the officers responsible for delivery. Draft reports are copied to the relevant Head of Service and Assistant Director and final reports are also sent to the Strategic Director, Chief Executive and the Leader.
- 7.2 Confirmation of implementation of audit recommendations is sought from service managers when the implementation date is reached. This is an automated reminder from the audit system, with alerts being sent out a week before the due date to the responsible manager and Head of Service. Overdue alerts are sent out weekly, copied into the Assistant and Strategic Director. Managers should access the audit system and provide an update on the action – either implemented (with evidence) or deferred.
- 7.3 Summary reports of outstanding actions are produced monthly and distributed to Strategic Directors. The status of all open recommendations is tabulated below:

	Recommendation Priority			Total as of 31 July 2024	Total Deferred
	High	Medium	Low		
Directorate					
Adults, Housing and Public Health		4	3	7	
Assistant Chief Executive			5	5	
Children and Young People	1	1		2	
Finance and Customer Services	5	4	8	17	2
Regeneration and Environment	3	3	18	24	
Total	9	12	34	55	2

8. Internal Audit Standards Update

- 8.1 On the 9 January 2024 new Global Internal Audit Standards (GIAS) were issued, which the Institute of Internal Auditors (IIA) has determined will become globally effective from 9 January 2025. They will then replace the International Professional Practice Framework, the mandatory elements of which are the basis for the current UK Public Sector Internal Auditing Standards (the PSIAS).
- 8.2 The PSIAS are issued under the authority of the Relevant Internal Audit Standard Setters (RIASS) and determine what standards or other requirements

are applicable to the practice of internal auditing in central government, local government and the health sector across the UK.

- 8.3 The RIASS have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use. The IASAB plans to issue consultation material by September 2024 at the latest, with a consultation period of at least 8 weeks. Subject to approval by the RIASS, the final material for application in the UK public sector and guidance on transition will be issued later in 2024 to allow sufficient time for preparation for implementation.
- 8.4 The effective date of the new material developed by IASAB will be 1 April 2025, to align with requirements for annual opinions and other relevant aspects of UK public sector governance which line up with the financial year. Until then, the existing PSIAS based on the old International Professional Practices Framework will continue to apply.
- 8.5 CIPFA is producing a Code of Practice for the Governance of Internal Audit in UK local government which will also be consulted upon in September. This will interpret the 'essential conditions' that underpin the Principles and Standards in Domain III (Governing) in a way that makes sense for local government bodies. This will provide direction to those responsible for the governance of internal audit and will be a 'roadmap' for heads of internal audit in local government.
- 8.6 In accordance with PSIAS and new Global Internal Audit Standards, Internal Audit Services will require an external assessment against the standards every five years. For Rotherham this falls due during the 2025-26 financial year. A report will be brought to a future Audit Committee setting out the options available, and the preferred option for discussion and agreement by the Audit Committee.

Internal Audit Plan 2024/25

Adult Care, Housing and Public Health					
No.	Risk Register Ref	Title	Brief Description	Current Position/ Outcome	Days
A	ACHPH R9 H R12	2023-24 Health and Safety legislation and corporate responsibilities for Council Homes	To review compliance with Health and Safety regulations with regard to smoke and carbon monoxide alarms.	Draft	1
B		2023-24 Homes England	Review of grant funding drawdowns after new processes have been implemented.	Draft	1
1	ACHPH-R33 H-R18 HR25	Review of gas servicing water/legionella compliance in council tenanted properties	Cyclical review of key areas of health and safety compliance to give assurance on the Consumer Standards 2023.	Q4	10
2	ACHPH-R33 H-R18 HR25	Review of lift servicing compliance in council tenanted properties	Cyclical review of key areas of health and safety compliance to give assurance on the Consumer Standards 2023.	Q3/4	10
3	ACHPH-R31 H-R11	Temporary Accommodation Management	This will include reviewing controls over the initial triage and acceptance into temporary accommodation and 'move on' actions.	Q2 / Q3	15
4	ACHPH-R36 H-R21	Repairs and Maintenance Contract	Assurance on the performance monitoring of the contract including identification and escalation of issues.	Scoping	20
5	ACI-R4	Safeguarding	A review of the processes for the receipt, triage and investigation of safeguarding enquiries from all sources including home care support.	Q3 / Q4	20
6	ACSC-R18 &19	Contract monitoring including contract concerns.	Contract monitoring processes including the contract concerns processes and visits to care homes by staff. Effective liaison with the CQC regarding any adverse inspections.	Q3	20
7	ACSC – R21	Customer Pathway audit	Decision making pathways for care package approval. Review to assess whether they are clear & applied consistently.	Q3	20
8	ACI-R4	Waiting Lists	This will include a review of the use of triage tools.	Scoping	15
9	ACI-R22	Community Dols	To provide assurance on the management of DoLS cases following the increase in demand.	Q3	15
10		Drug and Alcohol partnership working arrangements	Review of drug and alcohol working partnerships including needs assessment and plans.	Q3	10
Total number of days					157

Assistant Chief Executive					
No.	Risk Register Ref	Title	Brief Description	Current Position/ Outcome	Days
1	ACX 32 HR07	Workforce plan (including a focus on workforce engagement)	Review the council's response to the 2023 employee opinion survey including the communication, support and challenge given to services. A wider review of workforce priorities will also be included.	Q2&3	15
2	ACX20 HR01 HR05	Payroll	Specific coverage to be agreed.	Q4	20
3	HR12	HR Policies - Recruitment (pre-employment checks including DBS)	Review compliance across the council with the pre-employment checks. Assurance that all staff requiring a DBS check have been identified and renewals are completed in accordance with the policy. Disclosures are appropriately reviewed and actioned.	Fieldwork	20
4	ACX 33	Equalities Standard	Compliance with Equalities Framework.	Q3	10
Total number of days					65
Childrens and Young People's Service					
No.	Risk Register Ref	Title	Brief Description	Current Position/ Outcome	Days
C	CYPS03	2023-24 Special Education Needs and Disability (SEND)	Review of Education, Health and Care Plans (EHCP) across all the domains, including Health and Social Care Partners.	Testing	3
1	CYPS06 CPQ42	Looked After Children (LAC) Sufficiency	A review of progress with the LAC Sufficiency Strategy. This would include specific areas where management have requested assurance (TBC).	Q4	20
2		S17 payments and reduction in cash payments project	Review of the need, authorisation and delivery of the S17 funds to clients and compliance with the policy.	Q3	15
3	CSC 06	Unaccompanied Asylum Seeking Children Follow Up	Follow up of possible partial assurance review.	Q2	5

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4	CSC 08	Joint Funding of Care Packages Follow Up	Follow up of partial assurance review.	Q2	5
5	E116	SEND Sufficiency	A review of the progress with the SEND sufficiency Strategy. This would include specific areas where management have requested assurance (TBC).	Q2	20
6		Schools Assurance	Approach to be determined but will include at least one audit visit to a school.	Q3-4	30
Total number of days					98

Finance and Customer Services					
No.	Risk Register Ref	Title	Brief Description	Current Position Outcome	Days
D		2023-24 Procurement Governance & Contract Renewals and Expiry	Review procurement procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures and compliance with procedures for planning for renewing contracts, in line with Cabinet Office Best Practice.	Draft	2
E		2023-24 Capital Programme	Review the updated capital procedures and provide assurance that they are being complied with and that expenditure is appropriately approved, controlled and monitored.	Testing	3
F		2023-24 Land Terrier	Review of the registration of Council land	Draft	1
G		2023-24 Governance	Review of the operation of processes around decision-making within the Council.	Testing	2
H		2023-24 Asset management - Acquisitions	Provide assurance on the end to end management of properties once acquired by the Council.	Testing	4
1		Cash and banking system and reconciliations	Review the timeliness and accuracy of cash and bank reconciliations and key controls. Review the effectiveness of the project management of the switchover of the banking provider.	Q3/Q4	15
2		Purchasing Cards	Assurance regarding compliance with the system controls and confirmation regarding appropriateness of expenditure and that this is supported with receipts.	Q4	10
3		Revenues and Benefits Business Continuity and Disaster Recovery Plan	Review of the robustness of the business continuity arrangements and the disaster recovery plan in the event of an IT failure.	Q3/Q4	15

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4	FCS 6	Litigation Service	Review of the Legal support provided to Adult Care and Child Protection.	Q4	15
5	FCS15	Record of Processing Activities	Assurance on the arrangements for information security and management (specifically ROPA).	Q3	15
6		IT Governance Strategies & Policies	Governance arrangements surrounding the IT strategies & policies.	Q3	15
7		Reprographics	Review of reprographics expenditure and assurances regarding value for money.	Q4	5
8	Salford ANA	IT Business Continuity / Disaster Recovery	Assurance on IT business continuity and disaster recovery arrangements.	Fieldwork	10
9	Salford ANA	Application Management (HR/iTrent)	Review of maintenance & support controls, access control management, system availability etc.	Q4	10
10	PRT 38 RE 25	Fire Safety Follow Up	Follow up of partial audit opinion.	Q2/3	5
11	PRT 39 RE 26	Building Security Follow Up	Follow up of partial audit opinion. This will also include a review of ID card issuing / cancelling and the building security arrangements once the NHS have moved into Riverside House.	Q3/4	15
12	PRT 10	Review of lift servicing compliance across corporate landlord properties (and any LEA schools if applicable)	Cyclical review of key areas of health and safety to give assurance on compliance with health and safety legislation.	Q2/3	10
13	PRT 10	Review of gas servicing compliance across corporate landlord properties (and LEA schools)	Cyclical review of key areas of health and safety to give assurance on compliance with health and safety legislation.	Q2	10
14	PRT 44	Catering	Traded services and contract management review. Scope to be confirmed.	Q3-4	20
15	PRT 10	Health and Safety property compliance (Deferral from the 2023/24 Audit Plan)	Review key aspects of statutory compliance with the Council's operational property estate managed by Facilities Management.	Q4	10
16		Asset Management Estimates and Capital Programme Follow Up	Follow up of partial audit opinion.	Q4	10
Total number of days					202

Appendix A

Regeneration and Environment					
No.	Risk Register Ref	Title	Brief Description	Current Position/ Outcome	Days
I		2023-24 Childrens Capital of Culture	To provide assurance on the governance arrangements and compliance with FPPR's for expenditure incurred to date on the Children's Capital of Culture.	Draft	1
1	RE52 CST9	Tree Service Review	Review of the implementation of the actions following the 2023-24 audit, to ensure that controls are embedded and they are being complied with.	Q3	10
2		Trading Standards Follow Up	Follow up of no assurance audit opinion.	Q2	5
3	RE56	Hellaby Stores Follow Up	Follow up of partial audit opinion.	Substantial	5
4		CCTV Review	Follow up of recommendations.	Fieldwork	15
5	R&E 9 CSS28	Home to school transport	Provide assurance on the effectiveness of the home to school transport service.	Q3	15
6		Music Service	Review of financial controls including receipt, recording and reconciliation.	Q3	5
7	CSS 24	Hand Arm Vibration Follow up review	Follow up review to determine implementation of actions.	Substantial	5
8	CSS 14	Waste operations health and safety	Compliance of vehicle crews with health and safety requirements.	Q4	10
9		Building Control (Deferred from 2023-34 audit plan)	Provide assurance after changes in regulations around payments and inspection visits.	Q4	10
10	RE51 PRT53	Highway structures	Assurance regarding compliance with the inspection regime and a review of the adequacy of the follow up process where issues have been identified.	Q4	15
Total number of days					96

Appendix A

Corporate Coverage				
No.	Title	Brief Description	Current Position/ Outcome	Days
1	Cash Controls	Review to identify the controls in place over the use of cash authority wide, to include the receipting, recording and the value being held, including a review of the safe limits.	Q4	15
2	Sundry Debtors	Cross directorate review of implementation of recommendations. This will identify if authority wide debt has reduced and confirm if action is being taken to proactively reduce debt.	Q4	15
3	Health and Safety	Review directorates implementation of the Council's Health and Safety policy and the support provided by Health and Safety.	Scoping	15
4	Social Value	Compliance with the Social Value Policy regarding obtaining quotes from suppliers.	Q2	10
5	Independent review of grants	Independent examination of accounts and / or assurance that the grant claim has been spent in accordance with the grant determination.	Q1-4	52
6	Follow Ups	Time set aside for the follow up of any partial or no assurance opinions completed within the year.		10
7	Project Boards and groups	Internal Audit attendance at project boards or groups to give advice on internal controls. Initially this will include the new financial system project group, Customer Services Efficiency Board and EDRMS Governance Group (Housing).	Q1-4	20
8	Data analytics development	Time set aside to develop a Data Analytics Strategy and introduce a workplan.	Q1-4	20
9	Contingency	Time set aside for audit review of any new and emerging risks, unplanned work identified as being required during the year.		40

Appendix A

Anti-Fraud and Corruption and Anti Money Laundering				
No.	Title	Brief Description	Current Position	Days
1	Investigations	Time set aside for investigation of whistleblowing and other referrals received.	Q1-4	140
2	Anti-Fraud and Corruption Policy Updates	Review and update of Anti Fraud and Corruption Policies <ul style="list-style-type: none"> • Anti-Money Laundering (AML) Policy • Anti-Fraud and Corruption Policy and assessment against best practice 	Q2&3	15
3	Anti-Fraud and Corruption Proactive Work	Risk-based work to prevent and detect fraud including:- <ul style="list-style-type: none"> • Review and investigation of NFI matches • Awareness raising and communication of fraud risks and internal reporting arrangements • Proactive exercise using data analytics to identify/detect fraud 	Q1-4	40
4	Anti Money Laundering Assurances	Testing on key systems/controls to gain assurance on Anti Money Laundering arrangements (Right to Buy, land and property and refunds to customers).	Q3	15
Total number of days				425
Overall Plan Total				1045 days

Summary of Audit Work Completed since the last meeting.

Note:- Internal Audit uses an Executive Summary and reporting structure which gives four levels of overall assurance for areas under examination. Within each area audited an overall assurance opinion is assessed as being either “Substantial Assurance”, “Reasonable Assurance”, “Partial Assurance” or “No Assurance”, taking into account the results of all the risks assessed.

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
Adult Care, Housing and Public Health				
LGA Peer Review	Review the robustness of the response to the findings of the LGA Peer Review (December 2023) and action plan.	July	Substantial	None identified.
Assistant Chief Executive				
Establishment Controls	To review the effectiveness of the controls in place to ensure the posts on the HR system are adequately managed. Focussing on the management of vacancies and their disestablishment, and the match between HR and Finance establishment structures.	July	Reasonable	<p>Errors identified by managers on the establishment are appearing on consecutive establishment sign off reports. There is no quality assurance check performed on the submitted returns.</p> <p>The agreed action is to flag any consecutive ‘error’ sign offs (based on manager) in the final establishment sign-off report to Heads of Service, Assistant Directors & Strategic Directors. HR Business Partners to take report to DLTs to remind members of the need to take action for any ‘errors’, non-completed returns, and to ensure the quality of completion.</p> <p>Establishment data held by HR and Finance is not aligned with each other.</p> <p>The action agreed was that as part of the annual budget setting process an additional review and</p>

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
				feedback process should be undertaken to ensure any errors on the establishment are notified to the service manager for amendment and to the HR Service Centre to support the necessary adjustments. A tracker will be set up to ensure all finance teams have undertaken this process annually.
Children and Young Peoples Services				
Commissioning Services	Review the work undertaken by the Commissioning Service to procure children in care placements, where providers are off framework or untendered, to gain assurance that appropriate controls are in place to mitigate financial and reputational risks to the Council	May	Reasonable	Not every placement had a corresponding signed IPA with the provider. The service has agreed to undertake a full review of IPA status's to be completed and a process for ensuring all future IPAs is fully completed to be established. Placement approval forms, Panel Meeting minutes and IPA's were not attached to a child's record in the LCS software. All forms and minutes will be attached to a child's record and this will be reviewed on a sample basis every six months.
School Themed Audits	To provide assurance that three key areas identified via analysis of the Control Risk Self-Assessment returns in 2023/24 have adequate controls in place to mitigate against identified risks.	May	Reasonable	Missing or inaccurate inventory lists and lack of inventory checks being undertaken. Dissemination of the school's behaviour policy to parents should be undertaken on an annual basis and pupils' views should be obtained in relation to suspension events. The findings from the audits will be fed back to schools with further support from CYPS if required.
Early Help Provision	To review the effectiveness of the Council's Early Help provision and provide assurance that the	June	Substantial	No recommendations were raised.

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
	Supporting Families 'Payment by Results' (PbR) funding can be met despite the challenging, sustained outcomes in place.			
Finance and Customer Services				
Creditors – Faster Payments	To provide assurance on the operation of procedures for faster payments.	May	Reasonable	A number of low priority recommendations were raised regarding the completeness of procedures and the faster payments request form, periodic review of the amounts, volume and type of faster payments and review of arrangements for including faster payments in the Transparency Reports where relevant.
Housing NEC (IT System Audit)	<ol style="list-style-type: none"> 1. Maintenance & support controls - To confirm that contracts are in place and that the application was being monitored and managed effectively. 2. Application access controls - To ensure that appropriate and effective processes and controls are in place for the management and administration of users and access levels. 3. Audit trails management - To assess the extent of any monitoring of users 	July	Reasonable	The highest priority recommendation was that RMBC should contact NEC to verify whether a Service Organisational Control (SOC) report, or equivalent, is produced by either themselves or their hosting partner. In the absence of a SOC report RMBC should identify the key processes that they require assurance over and determine the level of reporting required to provide that assurance. Once assurance reports are received any issues detailed should be discussed with NEC to confirm whether there has been an impact on the service provided. Where an impact is identified NEC should be requested to provide evidence that the appropriate steps have been taken to address the underlying cause and to determine whether additional checks may need to be undertaken within the Council to mitigate the potential risk.

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
	<p>accessing the system, particularly in relation to users with high level access, such as System Administrators and Database Administrators.</p> <p>4. System availability and continuity - To assess the processes in place to manage and monitor system performance, availability and capacity, and to ensure adequate backup and recovery procedures are in place and have been tested regularly.</p>			<p>The agreed action was to identify and if exist, obtain/request SOC reports from NEC and ensure they form part of NEC service review process.</p>
<p>Asset Management Estimates and Capital Programme</p>	<p>The overall objective of the audit was to provide assurance on the accuracy of valuations, calculated as estimates for capital schemes that are to be included on the Capital Programme, to ensure that final costs do not excessively exceed the original estimates.</p>	<p>July</p>	<p>Partial</p>	<p>Client contracts are not in place for internal clients, clients are not providing the correct information for accurate estimates to be provided and are using out of date or inaccurate estimates for project costs. It is not always clear from the documentation where the cost information has been obtained.</p> <p>Documentation will be introduced/enhanced including a contract with all service clients, a stage 1 outline brief that will provide for an initial estimate, a formal quote template indicating any mitigation or risk as well as clarity on fees and other costs associated with the project and documents will provide costs in detail at an appropriate time.</p>

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
Regeneration and Environment				
Housing Rents	To assess the adequacy of the internal control arrangements to provide an assurance that the Council is complying with the Housing Regulators Rent Standards.	May	Substantial	Two minor areas for improvement were highlighted. A quarterly review will be undertaken comparing rents from the housing system to the finance calculations at the start of the rent year to identify any target rent calculation errors. Information on the Governments rent formula and the rent arrears policies will be uploaded onto the council website.
Hand Arm Vibration Follow Up	To assess the degree of implementation of agreed actions arising from the previous audit report (issued December 2023)	June	Substantial	HAV exposure data was not always recorded correctly on the HAV monitoring spreadsheets. A communication will be sent to managers/supervisors to ensure monitoring the data will identify whether all data is recorded correctly. In addition, digital solutions for this will be explored.
Trading Standards	The overall objective of the audit was to assess the adequacy of the internal control arrangements surrounding the operation of trading standards.	June	No	Recording of property seizures and disposals required strengthening. 3 rd party release/handover forms need to be completed when handing over evidence in all cases. 6 monthly inventory checks should be completed in accordance with the procedure. Some evidence bags were not sealed. Where any are found to be open two officers should verify the contents and report any discrepancies immediately to management. Storeroom access and security required an immediate review. A review of the handling of photographic evidence was required. The service has taken prompt action in many of the areas of weakness found by the audit. A follow up audit will be undertaken in quarter 2 to assess the progress made.

Appendix B

Audit Area	Assurance Objective	Final Report Issued	Overall Audit Opinion	Summary of Significant Issues Identified / Recommendations
Hellaby Stores Follow Up	The overall objective of the audit was to assess the degree of implementation of agreed actions arising from the previous audit report (issued July 2023)	June	Substantial	No recommendations were raised.
Vehicle Operators Licence	To review the management of the Council's Vehicle Operators Licence against regulatory requirements and best practice.	July	Substantial	No recommendations were raised.
Green Spaces	Review the health and safety controls around green spaces.	July	Reasonable	No quality assurance checks were being completed on risk assessments, errors and omissions were identified in some risk assessments, some required reviewing/updating and there was insufficient evidence that they had been communicated to staff. There was unclear and inconsistent inspection records and inspections were not being recorded on the health and safety site checks spreadsheet.

Rating	Definition
Substantial Assurance	Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk. The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature to further strengthen control arrangements.
Reasonable Assurance	Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at low risk. There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations are no greater than medium priority.
Partial Assurance	Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at a medium risk in a significant proportion of the areas reviewed.

Appendix B

Rating	Definition
	There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations may include high priority and medium priority matters.
No Assurance	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable high level of risk. There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority matters and may also include medium priority matters.

Internal Audit Performance Dashboard

Key performance indicators

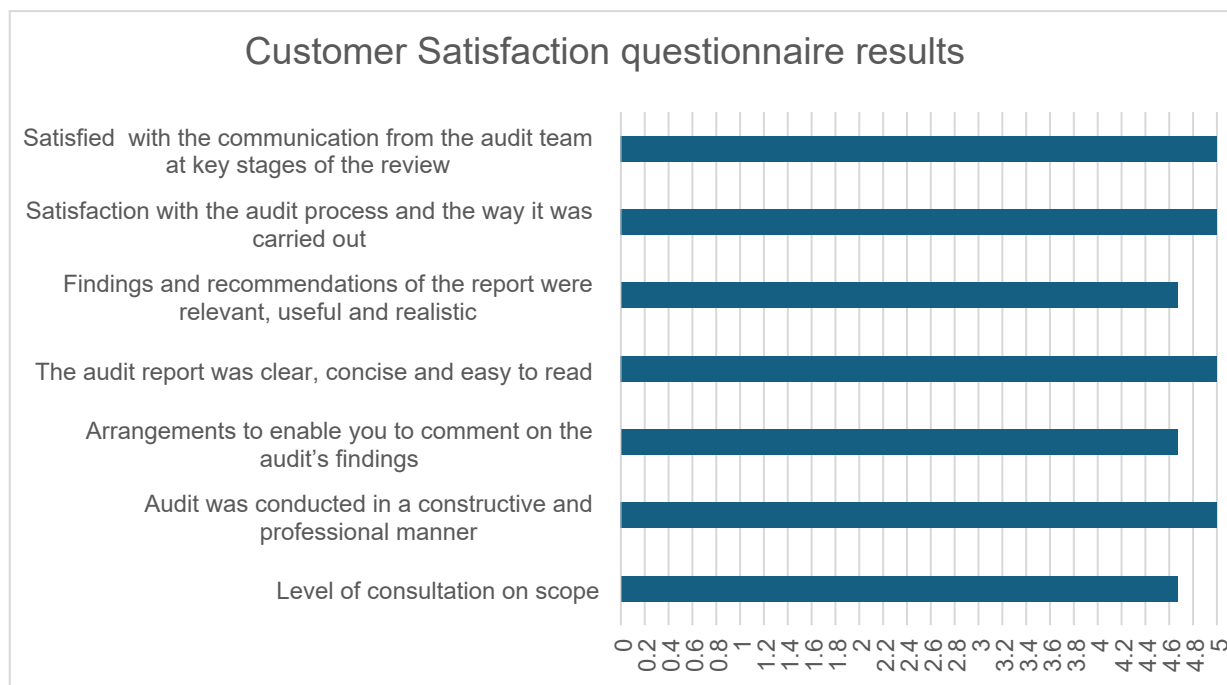
Performance Indicator	Target	April - July
Draft reports issued within 15 working days of field work being completed	90%	100%
Final reports issued within 5 working days of customer response to the draft report	90%	94%
Audits completed within planned time	90%	67%

Audit plan progress

Assurance Type	2024/25 Plan assignments	Completed	In progress	Not started
Adult Care, Housing and Public Health	10	0	2	8
Assistant Chief Executive	4	0	1	3
Childrens and Young People	6	0	0	6
Finance, Customer Services	16	0	1	15
Regeneration and Environment	10	2	1	7
Crosscutting	4	0	1	3
Grants	12	3	1	8

Customer Satisfaction Questionnaires

3 questionnaires were received during the period. The graph below illustrates the average responses to each question on a scale of 1-5, 5 being the highest level of satisfaction.



“The report was clear and written jargon free. The recommendations are clear. The author of the audit was always available to answer any questions.”

“The auditor was open and honest with us throughout and communicated her needs so we could support and provide what she needed. A very transparent and positive process!”

“As I am not a regular user of Pentana it can be a challenge to navigate. The report's author supported me with clear instructions on how to complete my actions. Others would find this useful.”

“Overall consistency leading to positive recommendations to improve the service.”

Quality Assurance and Improvement Programme Action Plan		
Action	Position statement	Target completion date
Further enhance the use of data analytics.	This action is underway with a review of alternative sources of data analytics software and training sessions planned. 2 areas are being trialled.	Strategy in place by March 2025. Completion of 2 trial areas by March 2025. Further ongoing development of the strategy to continue in 2025-26.
Complete skills and competency assessments as part of the PDR process.	A training and development plan for the Internal Audit Service will be produced which will identify any audit specific training needs and how these will be addressed.	March 2025 although this will be an annual/rolling plan. The 2024/25 plan will be updated throughout 2024 to ensure that any service wide training identified as part of the revised annual performance development review process can be identified and included.
Review the need for assurance mapping, to improve audit planning.	This will be reviewed in 2024-25 where Cipfa's detailed assurance framework guide 2024 (yet to be issued) will be used to take forwards this development.	March 2025 to link in with submission of Audit Plan to the March Audit Committee.
A review of KPI's will be undertaken, benchmarking with other authorities and having due regard to best practice.	This will be undertaken during Q2-3 in readiness for the September Audit Committee progress report.	Complete pending discussion at this Audit Committee.
Undertake a self-assessment against the new Global Internal Audit Standards and develop an action plan to capture any areas that need to be enhanced.	To be undertaken by December 2024 taking into consideration the public sector consultation material that should be issued by September 2024. To undertake an options appraisal to present to the Audit Committee for the required External Assessment which is due in November 2025.	December 2024. Options appraisal to be presented to a future Audit Committee.

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Anti-Fraud and Corruption Policy, Strategy and Self-assessment against Fighting Fraud and Corruption Locally Checklist

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report refers to a proposed update to the Council's Anti-Fraud and Corruption Policy and Strategy. The update follows an annual review process which is designed to ensure that the Policy and Strategy are up to date with current best practice and to take into account any changes to the Council's organisation structure. There have been only minor updates to the Policy and Strategy since the last review. The Fighting Fraud and Corruption Locally checklist has been used to review the council's arrangements against current best practice. The self-assessment against the checklist and resulting actions are included in this report.

Recommendations

That the Audit Committee is asked to:

1. Review and comment on the revised Anti-Fraud and Corruption Policy.
2. Approve the revised Anti-Fraud and Corruption Strategy.
3. Note the actions taken to strengthen the Council's fraud and corruption arrangements.

List of Appendices Included

Appendix A – Anti Fraud and Corruption Policy 2024

Appendix B – Anti Fraud and Corruption Strategy 2024

Appendix C – Anti Fraud and Corruption Policy from 2023 showing tracked changes

Appendix D – Anti Fraud and Corruption Strategy from 2023 showing tracked changes

Appendix E – Self-assessment against the Fighting Fraud and Corruption Locally Checklist

Background Papers

Fighting Fraud and Corruption Locally. A strategy for the 2020's.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Anti Fraud and Corruption Policy, Strategy and Self assessment against the Fighting Fraud and Corruption Locally Checklist

1. Background

- 1.1 Rotherham Metropolitan Borough Council, like every Local Authority, has a duty to ensure that it safeguards the public money that it is responsible for. It expects the highest standards of conduct and integrity from all who have dealings with it including staff; members; contractors; volunteers and the public. The Council is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically; honestly and to the highest possible standard.
- 1.2 The Council's last update of its Anti-Fraud and Corruption Policy and Strategy was in September 2023. This report provides an update to the Anti-Fraud and Corruption Policy and Strategy. In addition, in accordance with best practice, an annual review of the council's anti fraud and corruption arrangements has been undertaken. This year we have undertaken a self assessment against the Fighting Fraud and Corruption Locally Checklist and the results are included in this report.

2. Key Issues

- 2.1 The Council's updated Anti-Fraud & Corruption Policy is attached at **Appendix A** and the updated Strategy is included at **Appendix B**.
- 2.2 The contents have been reviewed with only minor changes having been made. The Policy shows the Council's aims and responsibilities while the Strategy shows how those aims are achieved. The tracked changes are shown in **Appendices C and D**. Attached at **Appendix E** is a self-assessment against the Fighting Fraud and Corruption Locally Checklist which results in an action plan for maintaining / developing the Council's arrangements.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for ensuring the Council has appropriate arrangements in place for managing the risk of fraud.

4. Consultation on proposal

- 4.1 This section is not applicable to this report.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This section is not applicable to this report. The approval of the Anti Fraud and Corruption Policy will be taken by an officer executive decision.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

7. Legal Advice and Implications

- 7.1 There are no legal implications arising from this report.

8. Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no immediate implications associated with this report.

11. Implications for CO₂ Emissions and Climate Change

- 11.1 There are no direct CO₂ and Climate Change implications arising from the report.

12. Implications for Partners

- 12.1 Implementation of the Anti-Fraud and Corruption Strategy will contribute towards ensuring the Council operates and maintains a culture in which fraud and corruption are understood to be unacceptable.

13. Risks and Mitigation

- 13.1 Failure to refresh the anti-fraud and corruption initiatives could expose the Council to increased risk of fraud and corruption as new and emerging risks appear.

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

Report Author: **Error! Reference source not found.**
This report is published on the Council's [website](#).



Anti-Fraud & Corruption Policy

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- 2. Policy Context.**
- 3. Anti-Fraud and Corruption Policy.**
- 4. How the Council Currently Manages the Risk of Fraud and Corruption.**

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Key Controls
Roles and Responsibilities
Policies, Procedures and Controls
Internal Audit Activity
Review

September 2024

1. Introduction.

Context

- 1.1 Fraud affects the UK across all sectors and causes significant harm. The Annual Fraud Indicator 2023 published by Peters & Peters Solicitors in conjunction with national audit, tax advisory and risk firm Crowe and the University of Portsmouth Centre for Cybercrime and economic Crime, indicated:-
- Private sector losses are estimated at £157.8 billion, from just £14 billion in 2017
 - Public sector fraud losses amount to about £50.2 billion
 - Frauds committed directly against individuals, including marketing fraud and identity fraud, is around £8.3 billion
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- 1.2 The Council employs around 6900 staff and spends around £700m per year. The Council both commissions and provides a wide range of services to individuals and households, working with a range of many other private and public and voluntary sector organisations. The size and nature of our services, as with any other large organisation, mean that there is an ever-present risk of loss due to fraud and corruption, from sources both internal and external.
- 1.3 RMBC takes a responsible, long-term view of the need to continuously develop anti-fraud initiatives and maintain its culture of anti-fraud awareness.
- 1.4 The Council expects all Councillors, employees, consultants, contractors and service users to be honest, and to provide any information, help and support the Council needs to prevent and detect fraud and corruption.

Links to Strategic Objectives

- 1.5 The Council developed a Council Plan for 2022/2025 and the Cabinet continues to work to ensure Council decisions reflect the concerns of local people and the needs of local communities.
- 1.6 An effective anti-fraud and corruption policy and strategy is a critical component of the Council's scrutiny and governance framework and will support partnership objectives to create safe and healthy communities.
- 1.7 The Council recognises that it is important that its policy is deliverable and clearly links to operational considerations. Our approach is articulated in the Council's Anti-Fraud and Corruption Strategy, which is focused on identifying, delivering and monitoring outcomes, and an action plan which includes practical measures which ensures the Council's Policy is turned into practice.

2. Background – Principles of Public Life.

2.1 The Nolan Report relating to the Principles of Public Life published in 1997 defined seven general principles that should underpin public life. These were subsequently incorporated by the Government into the “Relevant Authorities (General Principles) Order 2001”. The Council expects both members and employees to follow these principles when carrying out their roles and responsibilities:-

- **Selflessness.** Holders of public office should act solely in terms of the public interest.
- **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty.** Holders of public office should be truthful.
- **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 The Council is fully committed to ensuring that it carries out its day-to-day operations in accordance with the principles of good Corporate Governance, including integrity, openness and accountability. These principles require a culture within the Council that is based upon honesty, where accountability is clear and where decisions and behaviours can be challenged.

2.3 An Anti-Fraud and Corruption Policy is an essential element of such a culture and signifies the Council’s expectation that elected Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

3. Anti-Fraud and Corruption Policy.

3.1 The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.

3.2 The Council takes a holistic approach to anti-fraud measures. Fraud prevention and system security is an integral part of the development of new systems and ongoing operations. Managers will consider the fraud threats and take advice where appropriate when implementing any financial or operational system.

3.3 To achieve this aim the Council will:-

- Identify the procedures to encourage Members, employees and the general public to report any suspicions of fraud and corruption in the knowledge that such reports will be treated confidentially and not result in discrimination against the person providing the information.
- Identify procedures and policies within the Council to encourage prevention.
- Promote detection.
- Determine the procedure for investigation and subsequent actions required following the conclusion of the investigation.

3.4 The Policy is designed to supplement existing Council policies and procedures including Financial and Procurement Procedure Rules, , Codes of Conduct (Employees and Members) and the Disciplinary Procedure.

4. How the Council Manages the Risk of Fraud and Corruption.

4.1 The Council continues to experience a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified, prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures, the Council gives out the clear message that it will not tolerate any impropriety by employees, Members, consultants, contractors and service users.

4.2 The Council manages the risk of fraud and corruption in a number of ways:-

Internal Control Environment

4.3 The Council revises its Constitution annually incorporating responsibilities for decision making and rules of procedure. These procedures, together with detailed Financial and Procurement Procedure Rules, act as the framework for financial control within the Council. All officers are required to act in accordance with these rules and regulations when carrying out their duties.

4.4 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers with support provided by the Council's Internal Audit function.

Key Controls

4.5 Corporate Governance best practice specifies that the following key controls should exist within an Authority committed to the prevention of financial irregularities:

- The Authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption
- All Members and employees act with integrity and lead by example.
- Senior Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.

- High standards of conduct are promoted amongst Members by the Standards Committee, including the provision of advice and relevant training on matters relating to the Code of Conduct.
- A Corporate, electronic Register of Interests is maintained to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Authority's interests.
- A Corporate, electronic, Register of Gifts and Hospitality is maintained to enable employees to record gifts and hospitality either received, or offered and declined, from the Authority's contractors and suppliers.
- Confidential Reporting ("Whistleblowing") procedures are in place and operate effectively.
- All relevant legislation is adhered to.
- The risk of theft, fraud and corruption is specifically considered as part of the Council's risk management processes.

4.6 The Council is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Roles and Responsibilities

4.7 Members should:

- Be aware of situations of potential conflict of interest and should always declare any interests and also the receipt of gifts and hospitality valued in excess of £50 that are in any way related to the performance of their duties as an elected member of the Council. Examples of situations of potential conflict include letting of contracts to external suppliers, planning and land issues. Declarations should be made on the on-line form which is managed centrally by the Corporate Support Unit. Members' conduct and decisions should always be seen to be impartial together with an obligation to ensure that confidential information is not improperly disclosed to others.

4.8 Strategic Directors will:

- Ensure that all suspected financial irregularities or financial impropriety that are brought to their attention are reported to the Head of Internal Audit.
- Instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that all Declarations of Interest and entries in the Gifts and Hospitality Register are reviewed (and where applicable, a risk assessment has been undertaken) by Line Managers / Senior Managers.
- Ensure staff dealing with financial systems including cash handling and payment systems (cashier / payroll / creditors etc) are appropriately trained.
- Ensure that as far as possible all new employees, regardless of type of employment contract, have their honesty and integrity verified by authenticated written references and qualifications checks. In circumstances where potential employees are working with children and vulnerable members of society that Disclosure and Barring Service [DBS] checks are undertaken.

4.9 The Head of Internal Audit will:

- Develop and maintain an Anti-Fraud and Corruption Policy and Strategy.
- Evaluate and give an annual opinion on the adequacy and effectiveness of internal control arrangements.

4.10 Employees should:

- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Authority.
- Comply with the Council's Code of Official Conduct together with any additional code relating to their professional qualifications.
- Act in accordance with Financial and Procurement Procedure Rules.
- Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council. Both the Register of Interests and Gifts and Hospitality Register are electronic and they are managed corporately by the Corporate Support Unit.

Policies, Procedures and Codes

4.11 This Policy is designed to supplement existing Council policies, which form the key building block in the Council's anti-fraud and corruption governance arrangements:

- Financial and Procurement Procedure Rules
- Anti-Money Laundering Policy
- Whistleblowing and Serious Misconduct Policy
- Employee Code of Conduct
- Members Code of Conduct.
- Regulation of Investigatory Powers Act Policy

4.12 These policies provide a framework within which the organisation operates. Having clear policies ensures clarity about the appropriate course of action in any given event. The policies ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud or corruption; this is of particular importance where referral to the Police and Crown Prosecution Services is deemed appropriate.

Internal Audit Activity

4.13 The audit plan provides for reviews of financial and management systems, whether computerised or manual, on a risk assessed basis. Auditors are required to be alert to the risk of fraud at all times in all their work.

4.14 The plan includes provision for Anti-Fraud projects and investigations into suspected fraud to be carried out.

4.15 Internal Audit co-ordinates the National Fraud Initiative (NFI) exercise within RMBC. This is a biennial data-matching exercise that helps detect and prevent fraud and overpayments from the public purse across the UK. The NFI matches data across organisations and systems to help public bodies identify fraud and overpayments. In addition, there are annual exercises examining the Electoral Roll and Single Person Discounts.

4.16 Internal Audit meet with other South and West Yorkshire local authorities to share information on fraud risks and best practice.

Review

4.17 The Council's arrangements are kept up to date by checking against best practice guidance including the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Fighting Fraud and Corruption Locally



Anti-Fraud & Corruption Strategy

A guide to the Council's approach to preventing fraud and corruption and investigating any suspected cases.

September 2024

Contents

- 1. Purpose and Objectives of this Document**
- 2. What is Fraud and Corruption?**
 - Fraud**
 - Theft**
 - Corruption**
 - Bribery**
- 3. Objectives of the Strategy**
- 4. Keeping Ahead**
- 5. Reporting of Suspected Fraud and Corruption**
- 6. Whistleblowing Arrangements**
- 7. Investigation of Suspected Fraud and Corruption**

1. Purpose and Objectives of this Document.

- 1.1 The purpose of this document is to outline the strategy for counter fraud and corruption work within RMBC. Whilst the term 'anti-fraud' is used in the document, the strategy also covers anti-theft and anti-corruption measures, including bribery.
- 1.2 The key objectives of this anti-fraud strategy are to maintain minimal losses through fraud and corruption and embed the management of fraud risk within the culture of the organisation. These objectives will be achieved by ongoing revision and implementation of a plan of action, based on a fraud self-assessment against the Fighting Fraud and Corruption Locally checklist.

2. What is Fraud and Corruption?

Fraud

2.1 The Fraud Act 2006 came into force on 15th January 2007 as a response to the recommendations of the Law Commission Report 'Fraud' published in 2002. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways: -

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of: -

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

2.2 CIPFA defines fraud as "the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

Theft

2.3 Theft is defined in the 1968 Theft Act:-

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Corruption

2.4 The HM Government Anti-Corruption Strategy states that there is no universally accepted definition of corruption, but it is generally understood to involve the abuse of office and position to benefit a third party (an individual, business or other organisation), in return for payment or other reward. These features are captured in Transparency International's definition: *"The misuse of entrusted power for personal gain."*

Bribery

2.5 A bribe is:

“A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity” [CIPFA].

2.6 The Bribery Act 2010 replaced the common law offences of offering or accepting a bribe with two statutory offences (S1 and S2). The Act also created two further offences: namely that of bribing or attempting to bribe a foreign official (S6) and being a commercial organisation failing to prevent bribery (S7). An S7 offence can only be committed by a commercial organisation.

2.7 The ‘Corruption Acts 1889 to 1916’ were repealed in their entirety. Wider offences were created by the Act which mean that the more specific offences created by the old Acts serve no practical purpose. Other statutes less relevant to Local Authorities were repealed or amended by the Act and a full list is in one of the schedules of the Act.

3. Objectives of the Strategy

3.1 The Council’s objectives for its anti-fraud and corruption strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA Code of Practice for Managing the Risk of Fraud and Corruption which states that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge the responsibility for counter fraud and corruption.
- Identify the fraud and corruption risks.
- Develop an appropriate counter fraud and corruption strategy.
- Provide resources to implement the strategy.
- Take action in response to fraud and corruption.

3.2 Internal Audit completes an annual self-assessment against the CIPFA supported Fighting Fraud & Corruption checklist. A fraud and corruption action plan is then produced to indicate actions that will be taken to ensure compliance with the checklist. Completion of the self-assessment exercise helps the Council demonstrate substantial compliance with best practice, as well as providing a framework upon which to further develop its Anti-Fraud and Corruption Strategy.

4. Keeping Ahead

4.1 In order to try and stay one step ahead of the fraud to which the Council may be exposed, it is necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that are used to inform the ongoing continuous improvement of the Anti-Fraud Strategy are:

- National Audit Office Publications
- / HM Treasury Publications
- National Anti-Fraud Network
- South and West Yorkshire Fraud Group.

5. Reporting of Suspected Fraud and Corruption

5.1 This strategy is incorporated into all employees' terms of employment and specified in Appendix 5a of the Employees Code of Official Conduct.

5.2 Anyone who suspects a fraud in the workplace, including fraud perpetrated by Council contractors, or who receives information from an external source regarding fraud, should **make an immediate note of all relevant details, including:**

- ✓ The date and time of the event.
- ✓ A record of conversations relating to the issue (including telephone conversations).
- ✓ The names of persons present (or description if the name is not known).
- ✓ Other details as appropriate, for example for vehicles the type, colour, registration etc.

They should also:

- ✓ Report any suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be
 - a line manager **OR**
 - the Internal Audit Service on Ext 23282 **OR**
 - the s151 Officer on Ext 22046 **OR**
 - the Head of Legal Services on Ext 23661 **OR**
 - the Chief Executive on Ext 22770.

Alternatively, any suspicions may be put in writing to the **Head of Internal Audit, Riverside House, Main Street, Rotherham, S60 1AE**, with the envelope marked "**CONFIDENTIAL – TO BE OPENED BY THE ADDRESSEE ONLY**".

Anyone suspecting fraud **should not:**

- ✗ Confront or accuse any suspected culprit directly.
- ✗ Try to investigate the matter themselves.
- ✗ Discuss their suspicions with anyone else other than the appropriate level of authority

- ✘ Be afraid to report a matter on the basis that any suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

6. Whistleblowing Arrangements

- 6.1 The best fraud fighters are the staff and clients of local authorities. To ensure that they are supported to do the right thing, a comprehensive, management led, anti-fraud and corruption culture needs to be maintained, including clear whistleblowing arrangements. The Council has a Whistleblowing and Serious Misconduct Policy which includes details of a confidential email address and phone hotline, so that staff can report any concerns.
- 6.2 A person who wishes to report a suspected serious wrongdoing under the whistleblowing policy should do so by:-

E-mail to: whistleblowing@rotherham.gov.uk

Telephone: Whistleblowing Hotline 01709 822400 where a recorded message can be left.

Post to:- Whistleblowing,
c/o Head of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM
S60 1AE

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Who has committed the alleged serious wrongdoing?
- What is the nature of the alleged serious wrongdoing?

Alternatively, a person wishing to report any suspected wrong doing may contact any of the three Whistleblowing Officers who are

- Head of Legal Services – Tel: 01709 823661, bal.nahal@rotherham.gov.uk
- S151 Officer – Tel: 01709 822046, judith.badger@rotherham.gov.uk
- Head of Internal Audit – Louise Ivens Tel: 01709 823282, louise.iven@rotherham.gov.uk

The three Whistleblowing Officers are responsible for the oversight and operation of the Whistleblowing Policy, once a disclosure has been received by the Council.

Further, a person wishing to report any suspected wrongdoing may do so by contacting the Chief Executive as below, providing the information as set out above:

- Chief Executive – Tel: 01709 822770

6.3 Council employees are also entitled to make a Protected Disclosure, under the Council's Whistleblowing Policy, through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow the obligation of confidentiality, but must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, log the disclosure in accordance with 5.2 above, and then confirm to the employee concerned, in writing or email, that this matter has been recorded.

6.4 The Council prefers anyone raising any suspicions not to provide information anonymously as it may be necessary for them to provide further information. However, all anonymous information that is received will be investigated. All reported suspicions will be dealt with sensitively and confidentially.

6.5 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-

- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
- Grant Thornton - the Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 245 5514 or by writing to them at:-

Grant Thornton UK LLP,
No 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

- Relevant professional bodies;
- Solicitors;
- South Yorkshire Police - Telephone: 101;
- PROTECT - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. PROTECT can provide confidential advice at any stage about how to raise a concern about fraud or other serious malpractice in the workplace. PROTECT can be contacted by telephone on 020 3117 2520. Contact details are on their website at <https://protect-advice.org.uk/>
- By contacting the relevant prescribed person on the list at:
[Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

6.6 Concerns about a child safeguarding issue, e.g. that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.

6.7 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

7. Investigation of Suspected Fraud and Corruption

- 7.1 The responsibility for the prevention of fraud, other irregularities and error rests with management. Internal Audit is responsible for reporting to management on areas of weakness and deficiencies in internal controls and financial systems, together with investigating circumstances where occurrence of fraud is suspected.
- 7.2 Once management has discovered, or suspected, a fraud Internal Audit should be notified immediately.
- 7.3 When Internal Audit discovers or suspects a fraud, management of the relevant department will be contacted to discuss and agree on how the matter will be investigated. The Strategic Director Finance and Customer Services will be notified of all frauds and the Chief Executive briefed regarding significant issues.
- 7.4 Where the matter involves employees of the Council it will be necessary to tie the investigation into the Council's Disciplinary Procedure and it will be appropriate to consult with a Human Resource Service Manager to discuss procedures for possible suspension of the employee pending further investigation.
- 7.5 Members shall be informed of any investigation into Council affairs that requires reporting to the External Auditor as soon as is practical without prejudicing the investigation.
- 7.6 The objectives of any investigation shall be to:
 - ✓ Prove or disprove the original suspicions of fraud.
 - ✓ Provide evidence in an appropriate format to substantiate proven cases of fraud.
 - ✓ Implement appropriate controls to prevent a recurrence of the incident.
- 7.7 The investigation should be conducted by Internal Audit in conjunction with management of the department in the following manner:
 - ✓ Secrecy and confidentiality shall be maintained at all times.
 - ✓ An early decision may be required, in consultation with Human Resources, on whether to suspend an employee to ensure evidence is not tampered with, subject to the proviso that the suspension does not prejudice the outcome of the investigation.
 - ✓ All documentation and evidence that is relevant to the investigation should be requisitioned and secured at an early stage by either management or Internal Audit. Evidence and relevant information should be properly documented, considered and evaluated and returned on the conclusion of the investigation.
- 7.8 Interviews with potential perpetrators of fraud will normally be held both at the beginning and at the end of an investigation. However, this procedure may be subject to alteration dependent upon circumstances. Interviews will be held in accordance with the Council's disciplinary procedure and, in cases where the person(s) under investigation are employees of the Council, they will be allowed to have a work colleague, friend, or trade union representative present.

7.9 Once a decision has been reached after interviewing the suspect, the following further matters will need to be considered:

- Involvement of Police: the Council should always have a consistent and fair approach to the involvement of the Police in proven cases of fraud and corruption. The question of Police involvement should be discussed by the relevant Strategic Director, the Strategic Director Finance and Customer Services, the Head of Internal Audit and the Assistant Director – HR and OD. The Chief Executive should then be informed of the decision reached. In appropriate cases the Police will be notified, in order for them to investigate and determine with the Crown Prosecution Service whether any prosecution will take place.
- Informing the External Auditor: the External Auditor should always be informed of the outcome of all fraud investigations as required to fulfil their role relating to fraud.
- Review of Systems - where a fraud has occurred as a result of weaknesses in existing systems, then steps must be taken to remedy the problem to prevent recurrence.
- Insurance / Recovery of Losses incurred: Chief Officers shall take appropriate action to ensure that the losses incurred by the Council are minimised including:
 - (i) Recovering losses directly from the perpetrator of the fraud.
 - (ii) Recovery from an employee's contributions to the Superannuation Fund, where appropriate.
 - (iii) Claiming against the Council's insurance policy.

7.10 Attempts of cyber-crime or fraud by organised criminals are investigated nationally by the Police and reported to Action Fraud by Internal Audit. Action Fraud Alert is provided by the National Fraud Intelligence Bureau which is run by the City of London Police as a national service.

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~~latest comprehensive set of figures relating to fraud published by the University of Portsmouth was in a report entitled “The Financial Cost of Fraud 2021—The latest data from around the world”. This indicates that fraud may be costing the UK as much as £137bn a year.~~

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2. Background – Principles of Public Life.

2.1 The Nolan Report relating to the Principles of Public Life published in 1997 defined seven general principles that should underpin public life. These were subsequently incorporated by the Government into the “Relevant Authorities (General Principles) Order 2001”. The Council expects both members and employees to follow these principles when carrying out their roles and responsibilities:-

- **Selflessness.** Holders of public office should act solely in terms of the public interest.
- **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty.** Holders of public office should be truthful.
- **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 The Council is fully committed to ensuring that it carries out its day-to-day operations in accordance with the principles of good Corporate Governance, including integrity, openness and accountability. These principles require a culture within the Council that is based upon honesty, where accountability is clear and where decisions and behaviours can be challenged.

2.3 An Anti-Fraud and Corruption Policy is an essential element of such a culture and signifies the Council’s expectation that elected Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

3. Anti-Fraud and Corruption Policy.

3.1 The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole. One pound

lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.

3.2 The Council takes a holistic approach to anti-fraud measures. Fraud prevention and system security is an integral part of the development of new systems and ongoing operations. Managers will consider the fraud threats and take advice where appropriate when implementing any financial or operational system.

3.3 To achieve this aim the Council will:-

- Identify the procedures to encourage Members, employees and the general public to report any suspicions of fraud and corruption in the knowledge that such reports will be treated confidentially and not result in discrimination against the person providing the information.
- Identify procedures and policies within the Council to encourage prevention.
- Promote detection.
- Determine the procedure for investigation and subsequent actions required following the conclusion of the investigation.

3.4 The Policy is designed to supplement existing Council policies and procedures including Financial and Procurement Procedure Rules, [Financial Regulations](#), Codes of Conduct (Employees and Members) and the Disciplinary Procedure.

4. How the Council Manages the Risk of Fraud and Corruption.

4.1 The Council continues to experience a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified, prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures, the Council gives out the clear message that it will not tolerate any impropriety by employees, Members, consultants, contractors and service users.

4.2 The Council manages the risk of fraud and corruption in a number of ways:-

Internal Control Environment

4.3 The Council revises its Constitution annually incorporating responsibilities for decision making and rules of procedure. These procedures, together with detailed Financial and Procurement Procedure Rules, act as the framework for financial control within the Council. All officers are required to act in accordance with these rules and regulations when carrying out their duties.

4.4 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers with support provided by the Council's Internal Audit function.

Key Controls

4.5 Corporate Governance best practice specifies that the following key controls should exist within an Authority committed to the prevention of financial irregularities:

- The Authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption
- All Members and employees act with integrity and lead by example.
- Senior Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.
- High standards of conduct are promoted amongst Members by the Standards Committee, including the provision of advice and relevant training on matters relating to the Code of Conduct.
- A Corporate, electronic Register of Interests is maintained to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Authority's interests.
- A Corporate, electronic, Register of Gifts and Hospitality is maintained to enable employees to record gifts and hospitality either received, or offered and declined, from the Authority's contractors and suppliers.
- Confidential Reporting ("Whistleblowing") procedures are in place and operate effectively.
- All relevant legislation is adhered to.
- The risk of theft, fraud and corruption is specifically considered as part of the Council's risk management processes.

4.6 The Council is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Roles and Responsibilities

4.7 Members should:

- Be aware of situations of potential conflict of interest and should always declare any interests and also the receipt of gifts and hospitality valued in excess of £50 that are in any way related to the performance of their duties as an elected member of the Council. Examples of situations of potential conflict include letting of contracts to external suppliers, planning and land issues. Declarations should be made on the on-line form which is managed centrally by the Corporate Support Unit. Members' conduct and decisions should always be seen to be impartial together with an obligation to ensure that confidential information is not improperly disclosed to others.

4.8 Strategic Directors will:

- Ensure that all suspected financial irregularities or financial impropriety that are brought to their attention are reported to the Head of Internal Audit.
- Instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that all Declarations of Interest and entries in the Gifts and Hospitality Register are reviewed (and where applicable, a risk assessment has been undertaken) by Line Managers / Senior Managers.
- Ensure staff dealing with financial systems including cash handling and payment systems (cashier / payroll / creditors etc) are appropriately trained.
- Ensure that as far as possible all new employees, regardless of type of employment contract, have their honesty and integrity verified by authenticated written references and qualifications checks. In circumstances where potential employees are working with children and vulnerable members of society that Disclosure and Barring Service [DBS] checks are undertaken.

4.9 The Head of Internal Audit will:

- Develop and maintain an Anti-Fraud and Corruption Policy and Strategy.
- Evaluate and give an annual opinion on the adequacy and effectiveness of internal control arrangements.

4.10 Employees should:

- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Authority.
- Comply with the Council's Code of Official Conduct together with any additional code relating to their professional qualifications.
- Act in accordance with Financial and Procurement Procedure Rules.
- Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council. Both the Register of Interests and Gifts and Hospitality Register are electronic and they are managed corporately by the Corporate Support Unit.

Policies, Procedures and Codes

4.11 This Policy is designed to supplement existing Council policies, which form the key building block in the Council's anti-fraud and corruption governance arrangements:

- Financial and Procurement Procedure Rules
- Anti-Money Laundering Policy
- Whistleblowing and Serious Misconduct Policy
- Employee Code of Conduct
- Members Code of Conduct.
- Regulation of Investigatory Powers Act Policy

4.12 These policies provide a framework within which the organisation operates. Having clear policies ensures clarity about the appropriate course of action in any given event. The policies ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud or corruption; this is of particular importance where referral to the Police and Crown Prosecution Services is deemed appropriate.

Internal Audit Activity

4.13 The audit plan provides for reviews of financial and management systems, whether computerised or manual, on a risk assessed basis. Auditors are required to be alert to the risk of fraud at all times in all their work.

4.14 The plan ~~also~~ includes provision for Anti-Fraud projects and investigations into suspected fraud to be carried out.

4.15 Internal Audit co-ordinates the National Fraud Initiative (NFI) exercise within RMBC. This is a biennial data-matching exercise that helps detect and prevent fraud and overpayments from the public purse across the UK. The NFI matches data across organisations and systems to help public bodies identify fraud and overpayments. In addition, there are annual exercises examining the Electoral Roll and Single Person Discounts.

4.16 Internal Audit meet with other South and West Yorkshire local authorities to share information on fraud risks and best practice.

Review

4.176 The Council's arrangements are kept up to date by checking against best practice guidance including the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Fighting Fraud and Corruption Locally-



Anti-Fraud & Corruption Strategy

A guide to the Council's approach to preventing fraud and corruption and investigating any suspected cases.

September 2023³⁴

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1. Purpose and Objectives of this Document.

- 1.1 The purpose of this document is to outline the strategy for counter fraud and corruption work within RMBC. Whilst the term 'anti-fraud' is used in the document, the strategy also covers anti-theft and anti-corruption measures, including bribery.
- 1.2 The key objectives of this anti-fraud strategy are to maintain minimal losses through fraud and corruption and embed the management of fraud risk within the culture of the organisation. These objectives will be achieved by ongoing revision and implementation of a plan of action, based on a fraud self-assessment against the [CIPFA endorsed Code of Practice on Managing the Risk of Fraud and Corruption](#) [Fighting Fraud and Corruption Locally checklist](#).

2. What is Fraud and Corruption?

Fraud

2.1 The Fraud Act 2006 came into force on 15th January 2007 as a response to the recommendations of the Law Commission Report 'Fraud' published in 2002. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways: -

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of: -

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

2.2 CIPFA defines fraud as "the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

Theft

2.3 Theft is defined in the 1968 Theft Act:-

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Corruption

2.4 The HM Government Anti-Corruption Strategy states that there is no universally accepted definition of corruption, but it is generally understood to involve the abuse of office and position to benefit a third party (an individual, business or other organisation), in return for payment or other reward. These features are captured in

Transparency International's definition: *"The misuse of entrusted power for personal gain."*

Bribery

2.5 A bribe is:

"A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity" [CIPFA].

2.6 The Bribery Act 2010 replaced the common law offences of offering or accepting a bribe with two statutory offences (S1 and S2). The Act also created two further offences: namely that of bribing or attempting to bribe a foreign official (S6) and being a commercial organisation failing to prevent bribery (S7). An S7 offence can only be committed by a commercial organisation.

2.7 The 'Corruption Acts 1889 to 1916' were repealed in their entirety. Wider offences were created by the Act which mean that the more specific offences created by the old Acts serve no practical purpose. Other statutes less relevant to Local Authorities were repealed or amended by the Act and a full list is in one of the schedules of the Act.

3. Objectives of the Strategy

3.1 The Council's objectives for its anti-fraud and corruption strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA [Code of Practice for Managing the Risk of Fraud and Corruption](#) ~~Fraud Standards~~ which states that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge [the responsibility for counter fraud and corruption.](#)
- Identify [the fraud and corruption risks.](#)
- Develop [an appropriate counter fraud and corruption strategy.](#) ~~a strategy~~
- Provide resources [to implement the strategy.](#)
- Take action [in response to fraud and corruption.](#)

3.2 Internal Audit completes an [annual](#) self-assessment against the CIPFA [supported Fighting Fraud & Corruption](#) checklist. ~~annually and a~~ [A](#) fraud and corruption action plan is [then](#) produced to indicate actions that will be taken to ensure compliance with the ~~checklist~~ [Code](#). Completion of the self-assessment exercise helps the Council demonstrate substantial compliance with best practice, as well as providing a framework upon which to further develop its Anti-Fraud and Corruption Strategy.

4. Keeping Ahead

4.1 In order to try and stay one step ahead of the fraud to which the Council may be exposed, it is necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that are used to inform the ongoing continuous improvement of the Anti-Fraud Strategy are:

- National Audit Office Publications
- ~~Audit Commission Publications~~ / HM Treasury Publications
- National Anti-Fraud Network
- South and West Yorkshire Fraud Group.

5. Reporting of Suspected Fraud and Corruption

5.1 This ~~procedure-strategy~~ is incorporated into all employees' terms of employment and specified in Appendix 5a of the Employees Code of Official Conduct.

5.2 Anyone who suspects a fraud in the workplace, including fraud perpetrated by Council contractors, or who receives information from an external source regarding fraud, should **make an immediate note of all relevant details, including:**

- ✓ The date and time of the event.
- ✓ A record of conversations relating to the issue (including telephone conversations).
- ✓ The names of persons present (or description if the name is not known).
- ✓ Other details as appropriate, for example for vehicles the type, colour, registration etc.

They should also:

- ✓ Report any suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be
 - a line manager **OR**
 - the Internal Audit Service on Ext 23282 **OR**
 - the s151 Officer on Ext 22046 **OR**
 - the Head of Legal Services on Ext 23661 **OR**
 - the Chief Executive on Ext 22770.

Alternatively, any suspicions may be put in writing to the **Head of Internal Audit, Riverside House, Main Street, Rotherham, S60 1AE**, with the envelope marked "**CONFIDENTIAL – TO BE OPENED BY THE ADDRESSEE ONLY**".

Anyone suspecting fraud **should not:**

- ✗ Confront or accuse any suspected culprit directly.
- ✗ Try to investigate the matter themselves.
- ✗ Discuss their suspicions with anyone else other than the appropriate level of authority

- ✘ Be afraid to report a matter on the basis that any suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

6. Whistleblowing Arrangements

- 6.1 The best fraud fighters are the staff and clients of local authorities. To ensure that they are supported to do the right thing, a comprehensive, management led, anti-fraud and corruption culture needs to be maintained, including clear whistleblowing arrangements. The Council has a Whistleblowing and Serious Misconduct Policy which includes details of a confidential [e-mail](#) address and phone hotline, so that staff can report any concerns.
- 6.2 A person who wishes to report a suspected serious wrongdoing under the whistleblowing policy should do so by:-

E-mail to: whistleblowing@rotherham.gov.uk

Telephone: Whistleblowing Hotline 01709 822400 where a recorded message can be left.

Post to:- Whistleblowing,
c/o Head of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM
S60 1AE

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Who has committed the alleged serious wrongdoing?
- What is the nature of the alleged serious wrongdoing?

Alternatively, a person wishing to report any suspected wrong doing may contact any of the three Whistleblowing Officers who are

- Head of Legal Services – Tel: 01709 823661, bal.nahal@rotherham.gov.uk
- S151 Officer – Tel: 01709 822046, judith.badger@rotherham.gov.uk
- Head of Internal Audit – Louise Ivens Tel: ~~01709 823282~~, e-mail louise.iven@rotherham.gov.uk

The three Whistleblowing Officers are responsible for the oversight and operation of the Whistleblowing Policy, once a disclosure has been received by the Council.

Further, a person wishing to report any suspected wrongdoing may do so by contacting the Chief Executive as below, providing the information as set out above:

- Chief Executive – Tel: 01709 822770

6.3 Council employees are also entitled to make a Protected Disclosure, under the Council's Whistleblowing Policy, through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow the obligation of confidentiality, but must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, log the disclosure in accordance with 5.2 above, and then confirm to the employee concerned, in writing or email, that this matter has been recorded.

6.4 The Council prefers anyone raising any suspicions not to provide information anonymously as it may be necessary for them to provide further information. However, all anonymous information that is received will be investigated. All reported suspicions will be dealt with sensitively and confidentially.

6.5 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-

- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
- Grant Thornton - the Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 245 5514 or by writing to them at:-

Grant Thornton UK LLP,
No 1 Whitehall Riverside
Whitehall Road
Leeds
LS1 4BN

- Relevant professional bodies;
- Solicitors;
- South Yorkshire Police - Telephone: 101;
- PROTECT - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. PROTECT can provide confidential advice at any stage about how to raise a concern about fraud or other serious malpractice in the workplace. PROTECT can be contacted by telephone on 020 3117 2520. Contact details are on their website at <https://protect-advice.org.uk/>
- By contacting the relevant prescribed person on the list at:
[Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](http://www.gov.uk)~~[Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](http://www.gov.uk)~~

6.6 Concerns about a child safeguarding issue, e.g. that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.

6.7 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

7. Investigation of Suspected Fraud and Corruption

- 7.1 The responsibility for the prevention of fraud, other irregularities and error rests with management. Internal Audit is responsible for reporting to management on areas of weakness and deficiencies in internal controls and financial systems, together with investigating circumstances where occurrence of fraud is suspected.
- 7.2 Once management has discovered, or suspected, a fraud Internal Audit should be notified immediately.
- 7.3 When Internal Audit discovers or suspects a fraud, management of the relevant department will be contacted to discuss and agree on how the matter will be investigated. The Strategic Director Finance and Customer Services will be notified of all frauds and the Chief Executive briefed regarding significant issues.
- 7.4 Where the matter involves employees of the Council it will be necessary to tie the investigation into the Council's Disciplinary Procedure and it will be appropriate to consult with a Human Resource Service Manager to discuss procedures for possible suspension of the employee pending further investigation.
- 7.5 Members shall be informed of any investigation into Council affairs that requires reporting to the External Auditor as soon as is practical without prejudicing the investigation.
- 7.6 The objectives of any investigation shall be to:
 - ✓ Prove or disprove the original suspicions of fraud.
 - ✓ Provide evidence in an appropriate format to substantiate proven cases of fraud.
 - ✓ Implement appropriate controls to prevent a recurrence of the incident.
- 7.7 The investigation should be conducted by Internal Audit in conjunction with management of the department in the following manner:
 - ✓ Secrecy and confidentiality shall be maintained at all times.
 - ✓ An early decision may be required, in consultation with Human Resources, on whether to suspend an employee to ensure evidence is not tampered with, subject to the proviso that the suspension does not prejudice the outcome of the investigation.
 - ✓ All documentation and evidence that is relevant to the investigation should be requisitioned and secured at an early stage by either management or Internal Audit. Evidence and relevant information should be properly documented, considered and evaluated and returned on the conclusion of the investigation.
- 7.8 Interviews with potential perpetrators of fraud will normally be held both at the beginning and at the end of an investigation. However, this procedure may be subject to alteration dependent upon circumstances. Interviews will be held in accordance with the Council's disciplinary procedure and, in cases where the

person(s) under investigation are employees of the Council, they will be allowed to have a work colleague, friend, or trade union representative present.

7.9 Once a decision has been reached after interviewing the suspect, the following further matters will need to be considered:

- Involvement of Police: the Council should always have a consistent and fair approach to the involvement of the Police in proven cases of fraud and corruption. The question of Police involvement should be discussed by the relevant Strategic Director, the Strategic Director Finance and Customer Services, the Head of Internal Audit and the Assistant Director – HR and OD. The Chief Executive should then be informed of the decision reached. In appropriate cases the Police will be notified, in order for them to investigate and determine with the Crown Prosecution Service whether any prosecution will take place.
- Informing the External Auditor: the External Auditor should always be informed of the outcome of all fraud investigations as required to fulfil their role relating to fraud.
- Review of Systems - where a fraud has occurred as a result of weaknesses in existing systems, then steps must be taken to remedy the problem to prevent recurrence.
- Insurance / Recovery of Losses incurred: Chief Officers shall take appropriate action to ensure that the losses incurred by the Council are minimised including:
 - (i) Recovering losses directly from the perpetrator of the fraud.
 - (ii) Recovery from an employee's contributions to the Superannuation Fund, where appropriate.
 - (iii) Claiming against the Council's insurance policy.

7.10 Attempts of cyber-crime or fraud by organised criminals are investigated nationally by the Police and reported to Action Fraud by Internal Audit. Action Fraud Alert is provided by the National Fraud Intelligence Bureau which is run by the City of London Police as a national service.

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Self Assessment against the Fighting Fraud and Corruption Locally Checklist (2024/25)

	Checklist	Details of Compliance	Action Required
1	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.	<p>A fraud risk assessment detailing risks, (including fraud and corruption) in services across all Directorates within the Council has been compiled. This notes Risk; Detail and Effect and is then split between Money Laundering; Bribery; Cyber Fraud; HR & Payroll; Financial; Procurement and Directorate specific fraud risks.</p> <p>Work is required to update the document.</p> <p>An annual assessment of the council's fraud and corruption arrangements is undertaken, previously this has been against the Cipfa Code of Practice on Managing Fraud and Corruption which is then reported to the Audit Committee.</p>	We will update the directorate and corporate wide fraud risk assessment and examine the results as part of the annual internal audit planning exercise.
2	The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	<p>The Head of Internal Audit consider all risks while developing the audit plan, which includes discussions with all Directorates within the Council.</p> <p>Horizon scanning is continuous during the planning and scoping of individual audits.</p>	
3	There is an annual report to the audit committee, or equivalent detailed	An annual report is presented to Audit Committee and findings from the comparison	We will conduct an annual comparison against the checklist and where

	Checklist	Details of Compliance	Action Required
	assessment, to compare against FFCL 2020 and this checklist.	against the FFCL checklist will generate an action plan.	necessary, implement actions to ensure compliance with it.
4	The relevant portfolio holder has been briefed on the fraud risks and mitigation.	The Audit Committee receives the annual Audit Fraud & Corruption Report. The Cabinet member for Finance was briefed earlier in the year on the Anti Fraud and Corruption Policy and Strategy.	The reporting of the fraud risks and mitigation will be strengthened over the year and a more comprehensive report will be brought to the September 2025 Audit Committee.
5	The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	The Audit Committee annually agree the Anti-Fraud and Corruption Strategy and Policy and the review of the Council's arrangements against best practice.	
6	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.	The Policy and Strategy are discussed annually at the Audit Committee. A copy of the Policy and Strategy is held on the intranet and is available to all Council staff.	We will remind staff of the Anti-Fraud and Corruption Strategy and Policy annually via the Chief Executives weekly Bulletins, to coincide with Fraud Awareness week, 17 th - 24 th November 2024.
7	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	This is the Anti-Fraud and Corruption Strategy and Policy and supporting arrangements.	
8	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	Fraud risks are routinely considered by Directorate Risk Champions whilst conducting individual Directorate's risk management	

	Checklist	Details of Compliance	Action Required
		process. Directorate risk registers are utilised to prepare the annual internal audit plan.	
9	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	<p>Internal Audit are regularly invited to sit on Project Boards / Groups to offer advice on guidance where new systems / procedural changes are being discussed.</p> <p>Details of this type of advisory work is included in the Internal Audit progress reports which are presented quarterly to the Audit Committee.</p>	
10	Successful cases of proven fraud / corruption are routinely publicised to raise awareness.	Proven cases are rare within the Council, however, any cases proven in a court of law will be publicised via the Chief Executive's week bulletin to all staff and via the Council's public facing webpage where appropriate and via liaison with the Communications Team.	
11	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.	These arrangements are detailed in the Anti-Fraud and Corruption Policy, specifically, Section 4.	
12	<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> codes of conduct (including behaviour for counter fraud, anti-bribery and corruption) 	There are policies and procedures covering all topics and Internal Audit's annual audit planning processes includes risk assessing these areas, and periodically includes audits in these areas.	

	Checklist	Details of Compliance	Action Required
	<ul style="list-style-type: none"> • register of interests • register of gifts and hospitality. 		
13	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	HR policies and procedures are in place to ensure pre-employment checks are carried out and Internal Audit's annual audit planning processes includes risk assessing these areas, and periodically includes audits in these areas.	
14	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	There are specific policies and procedures to address gifts and hospitality and business interests. Internal Audit's annual audit planning processes includes risk assessing these areas, and periodically includes audits in these areas.	
15	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	The Audit Plan is delivered by experienced Internal Audit Staff, 4 staff have fraud qualifications.	
16	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.	There is a Whistleblowing Policy in place and processes in place to monitor action taken on referrals received. The Anti-Fraud and Corruption Strategy Section 6 and Anti-Fraud and Corruption Policy Section 4.11 reference the Whistleblowing Policy.	
17	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	Council contracts require contractors to sign that they will adhere to the Council's Whistleblowing Policy. Section 3.2.7 in the contract document.	

	Checklist	Details of Compliance	Action Required
18	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	Internal Audit's annual report details current resources within the Internal Audit Team and gives an opinion on whether resources are adequate to provide an annual audit opinion.	
19	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	<p>The annual internal audit plan considers all risks, including that of fraud and corruption, across all directorates in the Council. Available resources are mapped against individual audits, and these are reported to Strategic Directors; Chief Executive and the Audit Committee.</p> <p>Resources are specifically allocated to Investigations; Anti-Fraud and Corruption Policy updates; proactive work and the National Fraud Initiative (NFI). The NFI being a proactive national data matching exercise to highlight possible fraud and corruption at an early stage.</p>	
20	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	<p>The Internal Audit annual report, section 3.8, gives a summary of all anti-fraud and corruption work conducted throughout the year.</p> <p>The updated quarterly internal audit progress reports to the Audit Committee include details of any reports issued that relate to anti-fraud and corruption investigation works.</p>	

	Checklist	Details of Compliance	Action Required
21	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	As per FFPRs Section 27.4, auditors have unfettered access to everything they require for the purposes investigating fraud and corruption.	
22	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	The Council adopts a zero-tolerance stance to fraud and corruption, which is clearly conveyed in the Anti-Fraud and Corruption Policy (Section 3) and Anti-Fraud and Corruption Strategy (Section 3). Proven cases are rare within the Council, however, any cases proven in a court of law will be publicised via the Chief Executive's weekly bulletin to all staff and on the Council's external webpage where appropriate and by liaison with the Communications Team.	
23	All allegations of fraud and corruption are risk assessed.	Allegations of fraud & corruption are not risk assessed; it is the Council's policy to investigate all such cases.	
24	The fraud and corruption response plan covers all areas of counter fraud work: <ul style="list-style-type: none"> – prevention – detection – investigation – sanctions – redress. 	The areas of counter fraud work are included in Section 3 of the Councils Anti-Fraud and Corruption Strategy, Section 3.	
25	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	The fraud plan is included in the annual Internal Audit plan, which is discussed and agreed at SLT and Audit Committee.	

	Checklist	Details of Compliance	Action Required
26	Asset recovery and civil recovery are considered in all cases.	Asset and civil recovery are included in the Anti-Fraud and Corruption Strategy section 7.9.	
27	There is a zero-tolerance approach to fraud and corruption that is defined and monitored; and which is always reported to committee.	Anti- Fraud and Corruption Policy and Strategy supports the zero-tolerance approach. All investigations are reported to the Audit Committee.	
28	There is a programme of proactive counter fraud work which covers risks identified in assessment.	Resources are allocated in the Audit Plan for Counter Fraud work i.e. NFI and proactive pieces of work.	
29	The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	Internal Audit have working relationships with the Police, Competition and Markets Authority (CMA) and other Local Authorities.	
30	The local authority shares data across its own departments and between other enforcement agencies.	Where appropriate data is shared across directorates for example as part of the National Fraud Initiative, and with enforcement agencies. Information is shared at meetings with the South & West Yorkshire Audit Groups to ensure any potential frauds/risk areas are identified and mitigated appropriately.	
31	Prevention measures and projects are undertaken using data analytics where possible.	Data analytics are currently in their infancy and the Internal Audit team are in the process of expanding their knowledge in this area. The Audit Committee are kept informed of the use of data analytics in the quarterly Internal Audit Progress Reports, Section 5.	We will continue to explore the use of data analytics and grow our knowledge and abilities in this area. We will keep the Audit Committee apprised of our progress.

	Checklist	Details of Compliance	Action Required
32	The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	Members of the Internal Audit Team have registered with the Knowledge Hub.	
33	The counter fraud team has access to the FFCL regional network.	Members of the Internal Audit Team have access to information through the South & West Yorkshire Fraud Investigators Group and the Yorkshire Heads of Internal Audit Group. In addition, the Head of Audit has access to information via the Public Sector Fraud Authority Community of Practice group, which is made up of central and local government fraud representatives.	

Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 26 September 2024

Report Title

Audit Committee Forward Work Plan

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.ivenes@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

The report presents to the Audit Committee a forward work plan covering the next year. The plan shows how the agenda items relate to the objectives of the Committee. It is presented for review and amendment as necessary.

Recommendations

That Audit Committee review the Forward Work Plan and suggest any amendments to it.

List of Appendices Included

Audit Committee Forward Work Plan.

Background Papers

Audit Committee Terms of Reference – Constitution, Appendix 9 Responsibilities and Functions, Section 5 Terms of Reference for Committees, Boards and Panels.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Audit Committee Forward Work Plan

1. Background

- 1.1 The Audit Committee's Terms of Reference are published in the Constitution. The attached Forward Work Plan details how the Committee meets those Terms of Reference.

2. Key Issues

- 2.1 Local government audit committees should comply with the Chartered Institute of Public Finance and Accountancy's Position Statement and Practical Guidance for Audit Committees. The Terms of Reference for the Audit Committee are designed to ensure that the committee meets the CIPFA standards.
- 2.2 The forward work plan is designed to ensure that the key Audit Committee responsibilities are fulfilled.

3. Options considered and recommended proposal

- 3.1 The work plan for the Audit Committee is a helpful guiding document for the Committee itself and other stakeholders with an interest in the Committee's activities. The work plan for the coming year by date is presented to each Committee meeting for review and amendment.

4. Consultation on proposal

- 4.1 Relevant officers and the Audit Committee were consulted in producing the work plan.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Forward Plan comprises a schedule of reports to be presented to the Audit Committee at each of its meetings during the year. Various reports have to be presented at specified meetings in order to comply with statutory requirements (for example relating to the statement of accounts and annual governance statement).

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report.

7. Legal Advice and Implications

- 7.1 There are no direct legal implications associated with this report.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The Audit Committee reviews the management of risks across the Council including those relating to Children's and Adult Services. Review of the management of risks helps to ensure the risks are mitigated.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct Equalities and Human Rights implications arising from this report.

11. Implications for CO₂ Emissions and Climate Change

11.1 There are no direct CO₂ and Climate Change implications arising from the report.

12. Implications for Partners

12.1 Partners will be able to take assurance on the Control's application of governance controls and management of risks from the work of the Audit Committee.

13. Risks and Mitigation

13.1 The Audit Committee aims to comply with standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a work plan is consistent with the CIPFA standards. The production of a work plan also helps the Audit Committee to ensure it achieves its terms of reference.

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

*Report Author: **Error! Reference source not found.***

This report is published on the Council's [website](#).

Audit Committee Forward Work Plan

Meeting Date	Key Responsibility	Agenda Item	Author
November 2024	Governance Risk and Control	Chief Executive presentation	Sharon Kemp
	Financial Reporting	Audited Final Statement of Accounts	Rob Mahon
	Governance Risk and Control	Audited Final AGS	Judith Badger
	External Audit	External Audit Findings (ISA 260)	Grant Thornton / Rob Mahon
	Treasury Management	Mid-Year Report on Treasury Management and quarterly update	Rob Mahon
	Governance Risk and Control	Information Governance Annual Report	Paul Vessey
	Governance Risk and Control	Code of Corporate Governance	Simon Dennis
	Governance Risk and Control	Risk Management Strategy and Policy	Simon Dennis
	Governance Risk and Control	Risk Management Directorate Presentation - Regeneration and Environment	Andrew Bramidge
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens	

January 2025	Financial Reporting	Final Accounts closedown and accounting policies	Rob Mahon
	Governance Risk and Control	External Audit and Inspection recommendations	Simon Dennis
	Governance Risk and Control	Procurement update	Karen Middlebrook
	Governance Risk and Control	Strategic Risk Register	Simon Dennis
	Governance, Risk and Control	Risk Management Directorate Presentation - Finance and Customer Services	Judith Badger
	Internal Audit	IA Charter review and update	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
March 2025	External Audit	Value for Money Opinion	Grant Thornton / Rob Mahon
	Treasury Management	Treasury Management Quarterly Update	Rob Mahon
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit	IA Annual Plan	Louise Ivens
	Governance Risk and Control	Procurement Annual Report	Karen Middlebrook

	Governance Risk and Control	Risk Management Directorate Presentation - Children and Young People's Service	Nicola Curley
	Internal Audit	Public Sector Internal Audit Standards/ Internal Audit Quality Assurance and Improvement Plan	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
June 2025	Financial Reporting	Draft Statement of Accounts	Rob Mahon
	Governance Risk and Control	Draft Annual Governance Statement	Judith Badger
	External Audit	External Audit Plan and Progress Update	Grant Thornton
	Treasury Management	Treasury Management Quarterly Update	Rob Mahon
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit / Governance Risk and Control	Internal Audit Annual Report	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation - Adult Care Housing and Public Health	Ian Spicer
	Audit Committee Accountability	Audit Committee Forward Plan	Louise Ivens

July 2025	External Audit	External Audit Progress Report	Grant Thornton
	Governance Risk and Control	Chief Executive Presentation	Sharon Kemp
	Treasury Management	Annual Treasury Management Report	Rob Mahon
	Governance Risk and Control	Dedicated Schools Grant	Joshua Amahwe
	Governance Risk and Control	Risk Management Annual Report and Strategic Risk Register	Simon Dennis
	Governance Risk and Control	External Audit and Inspection Recommendations	Simon Dennis
	Governance Risk and Control	Review of Surveillance and use of Regulation of Investigatory Powers	Bal Nahal
	Audit Committee Accountability	Audit Committee Annual Report	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
September 2025	Financial Reporting	Final Statement of Accounts	Rob Mahon
	Governance Risk and Control	Final AGS	Judith Badger
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation - Assistant Chief Executive	Jo Brown

	Governance Risk and Control	Anti-Fraud and Corruption Policy and Strategy review and update	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens

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of the Local Government Act 1972.

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