



Audit and Governance Committee

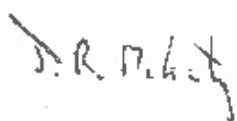
Meeting: Monday, 20th January 2020 at 6.30 pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

Membership:	Cllrs. Melvin (Chair), Brooker (Vice-Chair), Bowkett, Hampson, Lugg, D. Norman, Taylor, Wilson and Williams
Contact:	Democratic and Electoral Services 01452 396126 democratic.services@gloucester.gov.uk

AGENDA

1.	APOLOGIES To receive any apologies for absence.
2.	DECLARATIONS OF INTEREST To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
3.	MINUTES (Pages 7 - 12) To approve as a correct record the minutes of the meeting held on 18 th November 2019.
4.	PUBLIC QUESTION TIME (15 MINUTES) To receive any questions from members of the public provided that a question does not relate to: <ul style="list-style-type: none"> • Matters which are the subject of current or pending legal proceedings, or • Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers
5.	PETITIONS AND DEPUTATIONS (15 MINUTES) To receive any petitions and deputations provided that no such petition or deputation is in relation to: <ul style="list-style-type: none"> • Matters relating to individual Council Officers, or • Matters relating to current or pending legal proceedings
6.	DELOITTE AUDIT PLAN To receive the external auditor's Audit Plan for 2019/20.

7.	AMEY STREETCARE CONTRACT MANAGEMENT - UPDATE REPORT (Pages 13 - 16) To receive the update report regarding outstanding recommendations.
8.	INTERNAL AUDIT PURPOSE, AUTHORITY, ROLE AND FUNCTION (Pages 17 - 70) To consider the report of the Head of Internal Audit and Risk Management on the service's purpose, authority, role and function.
9.	ANNUAL GOVERNANCE STATEMENT 2018/19 IMPROVEMENT PLAN - PROGRESS REPORT (Pages 71 - 80) To provide an update on progress on work as part of the Annual Governance Statement 2018/19 Improvement Plan.
10.	RISK MANAGEMENT POLICY AND STRATEGY 2020-23 (Pages 81 - 98) To consider the report of the Head of Internal Audit and Risk Management.
11.	INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2019/20 (Pages 99 - 128) To consider the report of the Head of Audit Risk Assurance regarding Internal Audit's Activity Progress.
12.	OUTSIDE BODIES DRAFT REPORT (Pages 129 - 138) To consider the draft report of the Corporate Director which assesses the City Council's appointing to outside bodies.
13.	REVISED TERMS OF REFERENCE AND APPOINTMENT OF AN INDEPENDENT MEMBER (Pages 139 - 168) To consider the revised terms of reference and the recommendations regarding the appointment of an independent Member to the Committee.
14.	COUNCILLOR AND EMPLOYEE CODES OF CONDUCT AND RELATED PROTOCOL ON COUNCILLOR/EMPLOYEE RELATIONS (Pages 169 - 222) To consider the Corporate Director's report on amendments to the codes of conduct.
15.	AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 223 - 224) To consider the Work Programme.
16.	DATE OF NEXT MEETING 9 th March 2020 at 6.30pm in the Civic Suite, North Warehouse.



Jon McGinty
Managing Director

Date of Publication: Friday, 10 January 2020

NOTES

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

Access to Information

Agendas and reports can be viewed on the Gloucester City Council website: www.gloucester.gov.uk and are available to view five working days prior to the meeting date.

For enquiries about Gloucester City Council's meetings please contact Democratic Services, 01452 396126, democratic.services@gloucester.gov.uk.

If you, or someone you know cannot understand English and need help with this information, or if you would like a large print, Braille, or audio version of this information please call 01452 396396.

Recording of meetings

Please be aware that meetings may be recorded. There is no requirement for those wishing to record proceedings to notify the Council in advance; however, as a courtesy, anyone wishing to do so is advised to make the Chair aware before the meeting starts.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the Public and Press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

FIRE / EMERGENCY EVACUATION PROCEDURE

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.

This page is intentionally left blank



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 18th November 2019

PRESENT : Cllrs. Melvin (Chair), Brooker (Vice-Chair), Bowkett, Hampson, Lugg, D. Norman, Taylor, Tracey and Wilson

Others in Attendance

Corporate Director
Head of Policy and Resources
Accountancy Manager
ARA Group Manager
Visitor Experience Manager
Democratic and Electoral Services Team Leader

APOLOGIES : Cllr. Williams

1. DECLARATIONS OF INTEREST

1.1 Councillor Hampson informed Members that he was a member of the Aspire Trust's Board of Trustees.

2. MINUTES

2.1 Subject to an amendment to reflect that Councillor Wilson gave his apologies, the minutes of the meeting which took place on 16th September 2019 were approved and signed by the Chair as a correct record.

3. PUBLIC QUESTION TIME (15 MINUTES)

3.1 There were no public questions.

4. PETITIONS AND DEPUTATIONS (15 MINUTES)

4.1 There were no petitions or deputations.

5. CONTRIBUTION OF MEMBERS TO OUTSIDE BODIES: ASPIRE TRUST AND CITIZEN'S ADVICE BUREAU

AUDIT AND GOVERNANCE COMMITTEE
18.11.19

- 5.1 As part of the working group on appointments made to outside bodies, representatives of the Citizen's Advice Bureau and the Aspire Trust were in attendance.
- 5.2 **Citizen's Advice Bureau (CAB)**
- 5.3 The Manager of the Citizen's Advice Bureau stated that the Council appointees' attendance was good and that one Member had specified duties for the year. They gave their views and asked relevant question pertinent to the service.
- 5.4 With regard to benefits to both the Council and CAB, he stated that both the Council and CAB had similar aims such as improving the lives of residents. There was a good level of communication with Officers but the involvement of Members was useful for the Council as a whole to respond to issues.
- 5.5 The Bureau Manager advised that while Members' overall presence is of benefit, the CAB would not fail to operate if they were not appointed. For example CAB, of its own volition, has fed back to and heard from the Council.
- 5.6 In response to a query from the Corporate Director regarding whether communication would cease if the Council did not appoint, the CAB Manager advised that there would still be contact but that Members' presence improved knowledge and this was a benefit.
- 5.7 Councillor Wilson asked if it would be helpful to circulate a skills set to which the CAB Manager replied that what was important was their presence rather than skills.
- 5.8 In response to a query from the Corporate Director regarding training, the CAB Manager stated that, historically this had not been offered but that, following an Internal Audit, greater training for trustees had been suggested.

Aspire Trust

- 5.9 The Chief Executive outlined that Aspire had a contract with the Council to provide leisure facilities. There were eleven trustees of which two were Members of the Council. The rationale for their appointment was that Members attended as representatives of the community. This study was raised at the last board meeting and the general view was that their presence is positive but they attended as trustees and not representatives of the Council. She further outlined that the Members contributed as trustees to the strategic direction of the organisation.
- 5.10 In terms of benefits of the Council being involved with the Trust, the Chief Executive advised that there was the benefit of transparency with regard to the contract and the Council gains insight into Aspire's work. Aspire benefitted through improved standing and credibility as well as the context of what was happening materially in the wider community. The Chief Executive

AUDIT AND GOVERNANCE COMMITTEE
18.11.19

further advised that Aspire provided governance training as well as the opportunity to sit on sub-committees and that it would be useful to share a skills matrix in order to assist in the making of appointments.

- 5.11 In response to a query from Councillor Tracey as to the level of Member feedback, the Chief Executive stated that it was an individual decision.
- 5.12 Councillor Wilson shared his view that there was an opportunity for organisations to share what skills would be needed for appointees. Councillor Lugg informed Members, however, that the Council did not conduct an audit of Members' skills while the Corporate Director noted that Group Leaders took a view on Members' skills. The Corporate Director also stated that it would be useful to receive skill sets from outside bodies and that there could be an opportunity to report to Council on what part appointees have played.
- 5.13 Members expressed their thanks to Aspire and CAB for their contribution to the study.

6. OUTSIDE BODIES SURVEY UPDATE

- 6.1 The Corporate Director provided an update on the outside bodies study. He informed Members that responses to the survey had been received from both appointees and from organisations that the Council appoints to. He also highlighted that interviews with organisations that the Council appoints to had been conducted.
- 6.2 These responses were being collated and would form the basis of a set of recommendations which would be presented in draft form at the next Committee meeting.

7. ANNUAL AUDIT LETTER

- 7.1 The Head of Policy and Resources introduced the Annual Audit letter as supplied by Deloitte. He advised that there was no new information contained within the letter, Deloitte had given an unqualified opinion on the accounts and the audit had been completed on time.
- 7.2 The Head of Policy and Resources advised that Deloitte had approved the governance statement and had concluded that the Value for Money opinion had been unqualified. There were eight recommendations which would be followed up.
- 7.3 Councillor Wilson stated that it was good to see an unqualified audit letter and queried whether there was an error in the gross expenditure figure. The Head of Policy and Resources confirmed that there was no such error.
- 7.4 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Annual Audit Letter.

8. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2019/20

AUDIT AND GOVERNANCE COMMITTEE
18.11.19

- 8.1 The Audit Risk Assurance (ARA) Group Manager provided an overview of internal audit activity – confirming that this was the second progress report against the approved 2019/20 Internal Audit Plan and that 5 audit activity outcomes were reported. Members were also informed that 4 irregularity reviews had been received in 2019/20 to date, the investigations were ongoing and once concluded would be reported to Committee.
- 8.2 The Group Manager advised that one audit had a limited assurance level attached to it, namely travel expenses. She drew Members' attention to the nature of the audit, that it was a low spend operational area and that recommendations had been agreed by management.
- 8.3 The Group Manager noted that the standard process on limited assurance reports was to request management attendance at the next Committee meeting to provide an update on recommendation implementation progress. In the case of the Travel and Expenses audit, due to its scope and financial risk impact, this is deemed to be an operational rather than strategic risk. Based on this, Committee's views were requested as to whether they require management attendance or if they would be satisfied that Internal Audit undertake a follow up review in 2020/21 reporting the outcomes to the Committee.
- 8.4 Councillor Wilson suggested that, as it was a minor issue, the audit be progressed. Councillor D. Norman concurred and stated that he was confident that changes would be made.
- 8.5 Councillor Wilson noted that there were three claims for self-employed staff and queried why they were claiming. The Head of Policy and Resources advised that he would examine the detail of this.
- 8.6 **RESOLVED that:-** (1) The follow up audit of travel expenses be progressed, and; (2) The Audit and Governance Committee **NOTE** the report.

9. TREASURY MANAGEMENT PERFORMANCE 2019/20 SIX MONTHLY UPDATE

- 9.1 The Head of Policy and Resources introduced the report and highlighted key aspects. He advised there was no new long term borrowing nor any debt rescheduling.
- 9.2 The Head of Policy and Resources further advised that the Council had complied with treasury limits and was in an 'under borrowed' position.
- 9.3 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the report.

10. SHOPMOBILITY LIMITED ASSURANCE MANAGEMENT UPDATE

- 10.1 The Visitor Experience Manager outlined the purpose of the audit. She stated that the key areas were Shopmobility's equipment, income collection

AUDIT AND GOVERNANCE COMMITTEE
18.11.19

and user training. She advised that there were seven recommendations from the audit and all had been implemented.

11. RISK BASED INTERNAL AUDIT PLANNING WORKSHOP

11.1 The ARA Group Manager advised that a risk based internal audit planning cycle was in place and stated that the Audit & Governance Committee's views and input were invaluable within this approach.

11.2 It was proposed that a risk based internal audit planning workshop be held prior to the next Committee meeting with the session to be last around 45 minutes. The aim of the session would be to raise and discuss areas where independent assurance would add value for the Risk Based Internal Audit Plan 2020/21.

11.3 Councillor Wilson stated that such a session had worked well in the past.

11.4 **RESOLVED that:-** A Risk Based Internal Audit Planning Workshop be held immediately before the 20th January 2020 Audit and Governance Committee.

12. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

12.1 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Work Programme.

13. DATE OF NEXT MEETING

13.1 20th January 2020 at 6.30pm in the Civic Suite, North Warehouse.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.25 pm hours

Chair

This page is intentionally left blank

Management Report to Audit and Governance Committee 20/01/2020 on actions taken in relation to the implementation of three outstanding recommendations raised in the 2016-17 Amey – Streetcare contract audit report.

Lead Officer: Jonathan Lund (Corporate Director)

Summary of Audit Area

The Streetcare Partnership was set-up in January 2007 with Accord Operations Ltd, with an initial annual value of £5.4m and a contract expiry date of 31st March 2022 (extension option is available). The services provided in the contract are for waste collection and recycling, street cleansing and grounds maintenance. In September 2007 Accord Operations Ltd was taken over by Enterprise and then on 9th April 2013 they were acquired by Amey.

During 2016-17, Internal Audit undertook a review of the governance, service provision, charges and performance systems and processes employed by Neighbourhood Services in the management of the contract. This review identified a number of issues with the management of the contract, which resulted in four high and three medium priority recommendations being raised by Internal to strengthen the control environment. Limited assurance was given against the control environment and satisfactory assurance for risk management.

A subsequent follow-up by Internal Audit in 2017-18 to establish the progress in completion of the agreed actions against the recommendations highlighted that two high and one medium priority recommendations, although progressing, remained outstanding at the point of the review.

This report from the Corporate Director provides the Audit and Governance Committee with an update to the status of the outstanding recommendations (see Appendix A).

Streetcare Contract – Outstanding Internal Audit recommendations

2016-17 Recommendation 5 Category: High	2016-17 Management Response
<p>The following information should be obtained, recorded in an appropriate centralised document held by Neighbourhood Services and regularly kept up to date:</p> <ul style="list-style-type: none"> • Cost of the work/service being provided by Amey; • Number of operatives or hours required; • Equipment or vehicles; • Health and safety issues and regulations applying; • Type and level of monitoring for service quality performed; • Locations or sites; and • Reference to other documents such as sites and locations covered, schedule of the work pattern, contract or variation order, etc. <p>In addition, ODSs should be written for the identified services that currently do not have one.</p>	<p>It is intended moving forward that Amey's annual service delivery plan, to be submitted in February of each year, will include the above information. As per contract requirements, Amey have been formally notified of the need for quarterly financial information to cover the core services (as set out within the contract) to provide greater clarity and transparency around the cost of services.</p> <p>Discussions will be undertaken with AMEY on the development of an up to date set of documents that maps out what services AMEY deliver, where, when, the level of resource required to undertake that work and its cost. It is then expected that this set of documents can be attached to the annual service delivery plan for reference purposes.</p> <p>Expected completion date: 31st March 2017</p>
Management update to the September 2017 Audit and Governance Committee	
<p>The 2017 Service Plan was prepared and scrutinised by Overview and Scrutiny Committee on 10th July 2017. Discussions currently in place with Amey prior to the provision of their 2018 Service Delivery Plan which will include the information set out in this recommendation.</p> <p>Actioned: Yes.</p>	
Internal Audit 2017-18 follow-up	
<p>The June 2017 Service Delivery Plan, created by Amey, was approved by the Overview and Scrutiny Committee on 10th July 2017. It does not include the areas as recommended by Internal Audit due to the timing of the creation and issue of the Plan. However, the Streetcare Contract Client Officer confirmed that Amey will include the recommended areas in the 2018 Service Delivery Plan. In addition, Amey will write the Operational Delivery Statements for the identified services.</p>	
Management update to the January 2020 Audit and Governance Committee	
<p>A 2019 Service Plan has been prepared and adopted and Amey will attend the Overview and Scrutiny Committee Meeting on 6 January 2020 to present the plan and answer questions from the O&S Committee.</p>	

2016-17 Recommendation 6 Category: Medium	2016-17 Management Response
<p>The key performance indicators should be reviewed and updated to include strategic, operational and quality related targets that correctly reflect the health and performance of the service provision. Appropriate financial sanctions for non-achievement of targets should also be determined, approved and applied in accordance with the contract.</p>	<p>During February 2017 it is the Council's intention to commence formal negotiation with Amey in respect of developing a suite of operational and strategic performance indicators supported by a financial performance mechanism. Putting an enforceable regime in place would require a formal variation to the contract (which would need to be approved by both parties to the Contract).</p> <p>Expected completion date: 30th April 2017</p>
Management update to the September 2017 Audit and Governance Committee	
<p>A draft suite of 33 Key Performance Indicators were presented to Amey and subsequently discussed and agreed at a meeting on 5th July 2017. Actioned: Yes.</p>	
Internal Audit 2017-18 follow-up	
<p>The Streetcare Contract Client Officer confirmed that Amey management at 5th July 2017 meeting provided verbal agreement to the proposed suite of Key Performance Indicators (KPIs). There are no minutes of the meeting and as at 4th October 2017 Amey management has not provided formal agreement to the KPIs. In addition, the KPIs as presented to Amey management did not detail the individual performance targets and therefore the point when financial penalties would first be applied.</p> <p>The Streetcare Contract Client Officer has contacted Amey management on 3rd October 2017 to agree an action timeline to ensure implementation of the proposed KPIs for the start of the 2018-19 financial year.</p>	
Management update to the January 2020 Audit and Governance Committee	
<p>A suite of KPIs with non-compliance penalty provisions has been agreed and adopted and a contract variation has been agreed to incorporate the KPIs into the contract documentation.</p>	

2016-17 Recommendation 7 Category: High	2016-17 Management Response
<p>Neighbourhood Services management should determine and formalise the monitoring regime for this contract in relation to the following:</p> <ul style="list-style-type: none"> • Checks to be performed on the KPI results produced by Amey; and • Monitoring to be performed of Amey performance of the service provision. <p>Documentary evidence of the agreed checks should be retained for management purposes.</p>	<p>The Council will seek access to AMEY's complaints system so that periodic checks can be carried out on performance data submitted by AMEY. In addition, the formal performance audits undertaken by Neighbourhood Managers (which commenced in December) can be used to validate performance information submitted by Amey.</p> <p>Expected completion date: 31st March 2017</p>
Management update to the September 2017 Audit and Governance Committee	
<p>KPIs are discussed at Monthly Operational Project Group meetings and also questioned and challenged at Strategic meetings. Monthly Contract Monitoring forms were introduced in January 2017, which are completed by the Operational Leads of the four Services areas. Actioned: Yes.</p>	
Internal Audit 2017-18 follow-up	
<p>There was no documentary evidence detailing the monitoring regime to confirm the accuracy and completeness of the Amey KPI results. However, until the new KPIs have been formally approved and targets agreed it may be premature to formulate and document such a regime until completed. The Client Officer issued instructions on 7th February 2017, to all Operational Leads detailing how to complete an agreed monitoring form and indicating completion of 10 inspections. A review of the completed Contract Monitoring reports highlighted that 10 inspections per service operation was not always performed. In addition, the results also showed high levels of issues with Amey work relating to the City centre, streets and ground maintenance. A summary of the level of inspections and failures are not reported to the bi-monthly Strategic Performance meeting. This information could prove beneficial to the group when reviewing and discussing Amey performance.</p> <p>In addition, it may also be useful to obtain details of the results of Amey supervisory inspections on work performed by their operatives in order to gain additional assurance of their performance.</p>	
Management update to the January 2020 Audit and Governance Committee	
<p>Monthly audits are carried out for Waste and recycling, Street Cleansing and Grounds Maintenance by the City Council client team and Amey management which are reflective of the KPI detail. Records are shared with the wider team and are available on request and an agenda item has been added to the Bi-monthly strategic meeting where an overview of inspections will be given by the relevant client team officer.</p>	



Meeting:	Audit and Governance Committee	Date:	20th January 2020
Subject:	Internal Audit Purpose, Authority, Role and Function		
Report Of:	Head of Audit Risk Assurance (ARA): Chief Internal Auditor		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Theresa Mortimer – Head of Audit Risk Assurance		
	Email:		theresa.mortimer@gloucester.gov.uk
	Tel:		01452 396430
Appendices:	<ol style="list-style-type: none"> 1. Internal Audit Strategy 2. Internal Audit Data Analytics Strategy 3. Internal Audit Charter 4. Internal Audit Code of Ethics 5. Internal Audit Quality Assurance and Improvement Programme (QAIP) 		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 Regulation and Auditing Standards require the Chief Internal Auditor to periodically review the Internal Audit Strategies, Charter, Code of Ethics and Quality Assurance and Improvement Programme (QAIP). These are to be presented to Senior Management and the Audit and Governance Committee to provide assurance that the Internal Audit function operates in accordance with regulation and mandatory professional standards. Due to maintaining independence, the final approval of the above, resides with the Audit and Governance Committee.

2.0 Recommendations

2.1 It is recommended that the Committee reviews and approves the Internal Audit Strategy, Data Analytics Strategy, Charter, Code of Ethics and Quality Assurance Improvement Programme.

3.0 Background and Key Issues

3.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (Section 151) and the Accounts and Audit Regulations 2015. The latter requires authorities to:
“...undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.” (i.e. the Public Sector Internal Audit Standards (PSIAS) 2017 as reflecting proper internal auditing practice).

- 3.2 The Standards encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) i.e. the Definition of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing and define the way in which the Internal Audit Service should be established and undertake its functions.
- 3.3 Additional requirements and interpretations for Local Government are published via the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note (LGAN) for the UK PSIAS (2019 Edition).
- 3.4 The Standards require all internal audit functions to implement and retain:
1. **Internal Audit Strategy:** sets out how the service will support and promote improvement and good governance, which is underpinned by the Internal Audit Charter.
 2. **Internal Audit Data Analytics Strategy:** This strategy underpins our Internal Audit Strategy to incorporate data analytics in our Internal Audit reviews (where appropriate/relevant) to provide further intelligence over entire populations and help to identify key emerging themes and risks. This will also provide management with contextual perspective of audit findings.'
 3. **Internal Audit Charter:** is to formally define Internal Audit's statutory role, authority, purpose, responsibility and position within Gloucester City Council.
 4. **Internal Audit Code of Ethics:** is a statement of principles and expectations governing the behaviour of individuals in the conduct of internal auditing.
 5. **Internal Audit Quality Assurance and Improvement Programme (QAIP):** enables an evaluation of the internal audit activity's conformance with the IPPF, Definition of Internal Auditing and Standard 1300 (QAIP) within the PSIAS and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity.

4.0 Social Value Considerations

- 4.1 There are no 'Social Value' considerations arising out of the recommendations in this report.

5.0 Environmental Implications

- 5.1 There are no 'Environmental' implications arising out of the recommendations in this report.

6.0 Alternative Options Considered

- 6.1 Not applicable

7.0 Reasons for Recommendations

- 7.1 The Accounts and Audit Regulations 2015, the Public Sector Internal Audit Standards 2017 and the CIPFA Local Government Application Note For the UK Public Sector Internal Audit Standards 2019, require the Chief Internal Auditor to periodically review the Internal Audit Strategies, Charter, Code of Ethics and Quality Assurance and Improvement Programme (QAIP) which are presented to Senior Management and the Audit and Governance Committee for formal approval.

8.0 Future Work and Conclusions

- 8.1 The Chief Internal Auditor monitors the Internal Audit service against the requirements of the PSIAS and its QAIP. The outcomes of the assessments are reported to the quarterly Audit and Governance Committee meetings in January, March, July, October and November meetings.

9.0 Financial Implications

- 9.1 No financial implications directly arising from the recommendations.

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

- 10.1 No legal implications directly arising from the recommendations.

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 Failure to deliver an effective Internal Audit Service in line with the PSIAS will prevent an independent, objective assurance opinion to be provided to those charged with governance, that the key risks associated with the achievement of the Council's objectives are being adequately controlled.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

- 13.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

14.0 Staffing & Trade Union Implications

- 14.1 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents:

- Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)
- Public Sector Internal Audit Standards 2017
- CIPFA Local Government Application Note for the UK PSIAS 2019

Internal Audit Strategy 2019 - 2022

Page 21



Contents

Introduction and Mission Statement

1

Key components of the Internal Audit Strategy

2

Provision of the service

3

Appendices

1. Initiatives and efficiency proposals
2. Compliance with regulation and professional standards

Page 22

(1) Introduction and Mission Statement

Introduction

This document sets out our Internal Audit Strategy (IAS) for the next three years. The IAS sets out how the service will support and promote improvement and good governance, which is underpinned by the Internal Audit Charter (IAC) which describes the purpose, authority, responsibility and position of the Internal Audit (IA) Service within Gloucestershire County Council, Gloucester City Council, Stroud District Council and external clients, our Code of Ethics and our Quality Assurance and Improvement Programme (QAIP) which includes our key performance indicators to monitor performance and demonstrate success.

Our Mission Statement

Page 23
The Council has adopted the following Mission Statement:

A collaborative partnership delivering a modern, innovative, customer focused service aligned to business needs to enhance and protect organisational value by providing risk based, independent and objective assurance, consulting activity, advice and insight.

In delivering this Mission Statement IA will:

- Produce and deliver an Annual Risk Based Internal Audit Plan which complies with the Public Sector Internal Audit Standards (PSIAS);
- Provide the statutory Chief Internal Auditor's Annual Opinion on the organisation's internal control, risk management framework and corporate governance arrangements;
- Provide progress reports to the Audit Committees / Boards which highlight any significant risk and control deficiencies or potential areas for improvement in the organisation's governance, risk and control arrangements; and
- Support and suitably challenge key assumptions and judgments taken by management, through IA's assurance and advisory services, to ensure they are appropriate and in accordance with relevant legislation, policies and procedures, guidance and professional standards.

(2) Key components of the Internal Audit Strategy

Our core values which underpin the delivery of our mission

Customer focus: To remain aware of the needs and requirements of all of our stakeholders in providing the optimum customer experience, to inspire respect, confidence and trust and to treat colleagues and customers with **respect** and understanding.

Quality: Quality and **excellence** is at the heart of everything we do. Our measure of quality is customer satisfaction and our goal is to provide a service that meets or exceeds those expectations. Our aim is to provide a service that remains responsive to the needs of our customers and maintains consistently high standards. Staff are fully **empowered** to achieve the best possible outcomes and are **accountable** for their actions and take responsibility for their decisions.

Experience: All of our staff and commissioned consultants are professionally qualified, are fully conversant with relevant industry standards / practices and have significant knowledge, experience and understanding of the requirements of auditing in a public sector environment. This provides a unique insight into sector risks (existing and emerging), challenges, opportunities and good practice that informs our work. Continuing Professional Development is a fundamental part of our staff development strategy.

Flexible: We operate with a multidisciplinary team to provide a seamless and responsive service in meeting our partner and clients' needs.

Resilient: ARA provides resilience in both strength and depth. We continue to 'grow our own' by the ongoing implementation of our Trainee Auditor programme, to support succession planning.

Agile working: We work with our clients to build trust; develop common understanding and take collective action to improve organisational priorities and outcomes; and be a trusted advisor to strategic management and the Audit Committees / Boards.

Growth: We maximise income generation through the continuous exploration of opportunities.

Key components of the Internal Audit Strategy

Measurements of success

The PSIAS are clear that IA should be adding value to an organisation. This will be achieved primarily through the delivery of our QAIP, which includes staff, team and service Key Performance Indicators (KPIs). Value will also be added via the provision of consultancy services and risk and control advice.

Our key service KPIs

- 85% achievement of the Annual Internal Audit Plans for each partner and client.
- 100% PSIAS compliance achievement (assessed through internal annual review and External Quality Assessment every 5 years).
- 80% of client satisfaction surveys rated the service as good or better.
- 90% of all recommendations accepted and implemented.

Performance monitoring

- The Internal Audit Plan is agreed by the relevant Audit Committees / Board annually and ongoing delivery is monitored by them.
- Individual audit assignments will be recorded and monitored in detail within a Performance Management System and used for monitoring and reporting service performance.
- The in-house teams' individual performance will be regularly assessed, monitored and supported through personal development reviews, 121s and team meetings. In addition, auditors self evaluate their own performance at the end of each activity, implementing any lessons learnt identified.
- Our co-sourced providers' performance is monitored through contractual KPIs and contract management meetings.
- Client satisfaction survey responses reviewed and improvement actions implemented as necessary.

Key supporting documents

Our key strategic documents for each partner and client include the:

- IAS (including our Mission Statement);
- Internal Audit Charter, QAIP and Code of Ethics;
- Corporate (Audit) Committee Terms of Reference;
- Corporate Risk Management Policy Statement and Strategy;
- Corporate Counter Fraud and Corruption and Anti Bribery Policy Statement and Strategy;
- Annual Risk Based Internal Audit Plan; and
- Internal Audit Manual (our operating procedures).

(3) Provision of the service

The IA Service has defined processes for the planning, delivery, monitoring and reporting of internal audit work. This includes quality assurance arrangements in place for the review and approval of reports before issue. The Chief Internal Auditor will provide an Annual Internal Audit Opinion to those charged with governance timed to support the Council's Annual Governance Statements. The Annual Internal Audit Opinion includes the statutory opinion on the overall adequacy and effectiveness of the Council's system of internal control, risk management framework and corporate governance arrangements.

The service structure provides client portfolio leads and a multidisciplinary team, which enables us to work collaboratively, focus on the areas that matter to our partners and clients, which supports continuous improvement.

Internal Resources

Internal Resource (staff rotated / located across all partner and client sites)

Our current Internal Audit structure comprises of 19.01 FTE

- 0.8 FTE Head of Audit Risk Assurance (Chief Internal Auditor)
- 1 FTE Group Manager
- 3.86 FTE Principal Auditors
- 2.6 FTE Principal Auditors / Counter Fraud Specialists
- 4.15 FTE Senior Auditors
- 3 FTE Trainee Auditors
- 2.0 FTE Audit/Risk Technical Officers
- 0.7 FTE Senior Risk Advisor

External Resource

- 0.6 FTE ICT Audit
- 0.3 FTE Internal Audit Provider

Appendix 1: Key Principles

We will:

- Continue to promote the three lines of defence risk assurance model.
- Continue to focus our resources on risk.
- Support risk management and encourage risk appetites to be defined via our risk management service offer.
- Align our proposed recommendations to risk appetites.
- Apply a process for identifying “root causes” of problems or events and an approach for responding to them.
- Continue to develop and promote the requirements of the Counter-Fraud and Corruption Strategy.
- Undertake the investigation of any reported irregularity issues and identify actions to improve controls.
- Contribute to the development of an assurance framework and map to support the development of our Annual Internal Audit Plan.
- Ensure that audit recommendations proposed are proportional to the risk exposure.
- Follow up high priority recommendations made and undertake follow up reviews where a limited assurance opinion on the control environment is provided.
- Consider (where relevant and appropriate) incorporating data analytics into our Internal Audit reviews to provide further intelligence over entire populations.
- Continue to promote and embed collaborative working arrangements with management and external partners / regulators.
- Take time to reflect on our current overall structure, capacity, skills and expertise needed and service offer to ensure that we continue to be a trusted partner who provides a credible, resilient, sustainable, value added and flexible service.

Appendix 2: Compliance with regulation and professional standards

Accounts and Audit (England) Regulations 2015

We will oversee and/or discharge on behalf of the Council the requirements of the Accounts and Audit Regulations 2015, which require the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

Public Sector Internal Audit Standards (PSIAS) 2017

We will ensure that our IA service adheres to the PSIAS and the Local Government Application Note for the UK PSIAS. Our last independent Review of Effectiveness (2015) confirmed that we did conform to the Standards (only minor observations were noted which have now been implemented). We perform annual assessments of adherence and report on this as part of our Annual Internal Audit Opinion.

International professional standards framework

Our IA service will operate in adherence to the International Standards for the Professional Practice of Internal Auditing.

Audit Committees / Boards

IA will support the Audit Committees and Boards as key stakeholders in accordance with their terms of reference which are in line with the requirements of the Accounts and Audit Regulations and the PSIAS.

Data Analytics Strategy

2019 - 2022

Page 29



Contents

Introduction and Vision

1

Tools and Techniques

2

Data Analytics Maturity Model

3

ARA's Objectives

4

Page 30



(1) Introduction and Vision

Introduction

The volume of digital data received, processed and produced across all organisations is significant and increasing. Consequently the traditional approach to Internal Audit sampling and testing within a growing and complex populace of data requires consideration of alternative testing methodologies to ensure we continue to provide credible audit findings, in line with the General Data Protection Regulation (GDPR).

It is imperative that to maintain effective oversight and confidence in the assurance provided Internal Audit need to adapt and align our approach and skills set to best meet the challenges posed through modern and evolving ways of working.

Data analytics is a critical tool to add to the auditors' toolkit to assist in the credibility of assurance work and the maximisation of added value in a modern and forward looking organisation.

Data analytics has a range of alternate definitions, however it can be summarised as the science of analysing raw data in order to make conclusions about that information. Data analytics involves applying an algorithmic or mechanical process to derive insights. For example: running through a number of data sets to look for meaningful relationships between them.

This strategy outlines how Audit Risk Assurance (ARA) aims to practice the use of data analytics to address the challenge posed by the digital approach currently being adopted by our partners and to maximise added value in its assurance to our partners and organisations we serve.

This strategy underpins our Internal Audit Strategy and Vision i.e. *'We will incorporate data analytics in our Internal Audit reviews (where appropriate/relevant) to provide further intelligence over entire populations and help to identify key emerging themes and risks. This will also provide management with contextual perspective of audit findings'* and also supports conformance with the Public Sector Internal Audit Standard (1220.A2): *'in exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques'*.

(2) Tools and Techniques

While it is management’s responsibility to ensure that risks are appropriately mitigated, Internal Audit can use data analytics to identify areas or transactions where controls may not / do not exist or are not / may not be operating effectively.

The effective use of data analytics can provide significant benefits to Internal Audit and the wider organisation through increased efficiency and effectiveness across a range of key areas.

To effectively implement and maximise the full potential of data analytics, it is essential to invest in the following to deliver the required outcomes:

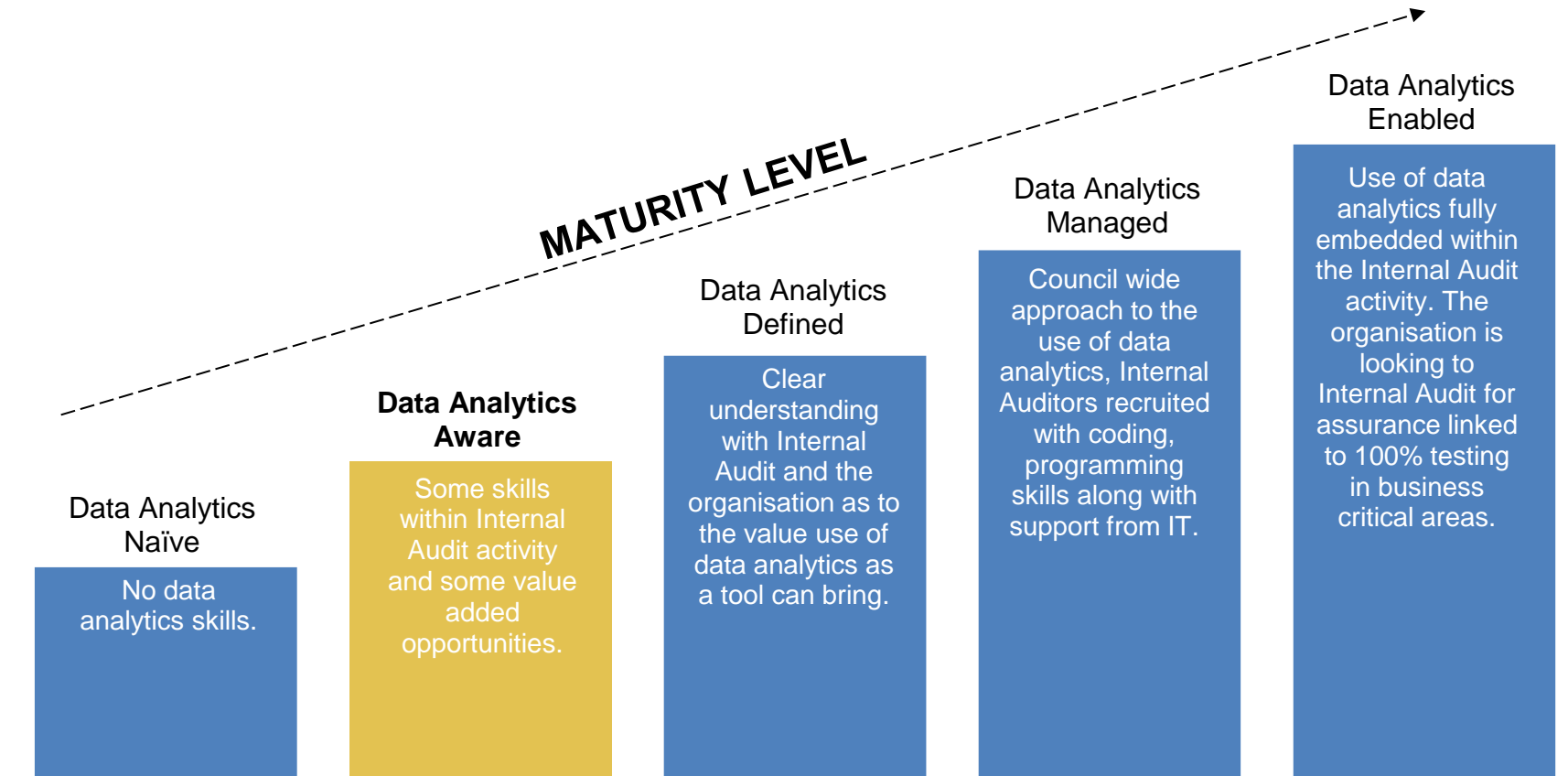
- Knowledge** ensure that relevant Internal Audit staff are appropriately trained in the effective design, development and implementation of data analytical techniques, querying and manipulating data and validating hypotheses.
- Soft skills** communication and interpersonal skills to articulate and visualise insights gained from analysis.
- Technology** effective use of CAATs (Computer Assisted Audit Techniques) to automate elements of the audit process to increase credibility of audit results, by sampling from a wider population base.
- Service Delivery** acceptance and understanding of how technology can be leveraged to identify and analyse business problems to ensure the achievement of objectives.



(3) Data Analytics Maturity Model

ARA’s maturity can be measured on a sliding scale from a ‘Data Analytics Naïve’ at one end of the scale to embedded ‘Data Analytics Enabled’.

Page 33



The chart depicts the current assessment of ARA’s maturity as ‘Data Analytics Aware’. Progression across the maturity chart relies heavily on the appetite of the organisation to embrace data analytics. Internal Audit alone will not realistically be able to achieve ‘Data Analytics Enabled’ operating in isolation; however, the drive to ‘Data Analytics Defined’ is our primary initial focus, working with our partners to establish the appetite for a council wide approach.

(4) ARA's Objectives

Objective	Outcome (ARA's Quality and Assurance Programme to include key indicators of success)	Target Date	Action Owners
To build expertise in the discipline of data analytics to provide added value across our partner organisations.	Expertise developed within ARA in the effective use and management of data analytics to be used flexibly across our partner organisations.	December 2020	Head of ARA / ARA Group Manager
To optimise the use of data analytics to increase the credibility of audit observations through extended and/or 100% sampling.	To provide credible / robust observations to management to contribute towards the delivery of organisational objectives.	Considered for every audit activity	Head of ARA / ARA Group Manager
To utilise data analytics to enhance data matching capabilities to help identify and combat fraud and irregularity.	To identify and deter fraudulent activity across the organisations in accordance with zero tolerance policies.	Considered for every counter fraud activity	Head of ARA / ARA Group Manager
To utilise data analytics to enhance strategic intelligence / risk assessment to inform the Internal Audit Plan and ensure the most effective use of audit resource.	Ensure the most efficient, effective use of Internal Audit resource through strategic assessment and analysis.	Annual Risk Based Internal Audit Planning	Head of ARA / ARA Group Manager
To embed data analytics as part of the standard audit process.	To embed a sustained approach to data analytics through the standard Internal Audit toolkit.	Ongoing	Head of ARA / ARA Group Manager
To support management (where relevant) auditing against risk 'hot spots' across the organisation.	To enable 'real time' auditing highlighting error, anomalies and control failure at the earliest opportunity.	Considered as part of proactive audit activity	Head of ARA / ARA Group Manager

INTERNAL AUDIT CHARTER

2019-2022



Gloucester
City Council

ARA
Audit Risk Assurance

Gloucester City Council  STROUD DISTRICT COUNCIL  Gloucestershire COUNTY COUNCIL
www.stroud.gov.uk

Contents

Introduction	1
IPPF’s Mission and Core Principles for Internal Audit Services	1
Authority	2
Purpose / Definition	2
Internal Audit Provision	2
Accountability / Responsibility	3
Position in GCiC	3
Right of Access	3
Independence and Objectivity	4
Internal Audit Resources	6
Proficiency and Due Professional Care.....	6
Relationship with External Audit / Other Relevant Assurance Providers / Regulatory Bodies.....	7
Scope of Internal Audit Activities	7
Internal Audit Planning	9
Reporting	10
Management can assist the process of Internal Audit by:	12
Quality Assurance and Improvement Programme (QAIP).....	12

Introduction

Organisations in the UK public sector have historically been governed by an array of differing internal audit standards. The Public Sector Internal Audit Standards (PSIAS) 2017 provide a consolidated approach across the whole of the public sector enabling consistency, sound corporate governance and transparency.

The Standards encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) i.e. the Definition of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing and define the way in which the Internal Audit Service should be established and undertake its functions.

Additional requirements and interpretations for Local Government are published via the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note for the UK PSIAS (2019 Edition).

The Standards require all internal audit functions to implement and retain an ‘Internal Audit Charter’. The purpose of the Charter is to formally define Internal Audit’s statutory role, authority, purpose, responsibility and position within Gloucester City Council (GCiC).

IPPF’s Mission and Core Principles for Internal Audit Services

“...to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

The “Core Principles” that underpin delivery of the mission require internal audit functions to:

- Demonstrate integrity;
- Demonstrate competence and due professional care;
- Be objective and free from undue influence (independent);
- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive, and future-focused; and
- Promote organisational improvement.

Authority

Accounts and Audit Regulations 2015

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (Section 151) and the Accounts and Audit Regulations 2015. The latter requires authorities to:

“...undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal auditing standards or guidance.” (i.e. the PSIAS 2017 as reflecting proper internal auditing practice).

Purpose / Definition

The Council’s three lines of defence / assurance model clarifies that management (as the first line) is responsible for owning, establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The second line refers to the oversight arrangements in place to confirm that the controls in the first line are operating effectively, with Internal Audit forming the third line, i.e. providing independent assurance that the first and second line of defence are operating effectively.

It is important to think of the internal auditor as the Council’s critical friend, someone who can challenge current practice, champion good practice and support management in improvement, so that the Council as a whole achieves its strategic outcomes, priorities and objectives.

This is achieved through internal audit providing a combination of assurance and consulting activities. The role of internal audit is best summarised through its mandatory definition within the Standards, as:

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

Internal Audit Provision

The Internal Audit Service is provided by Audit Risk Assurance (ARA) under a Shared Service agreement between Gloucestershire County Council (Host Authority), Gloucester City Council and Stroud District Council. The Chief Internal Auditor is responsible for effectively managing the internal audit activity in accordance with the ‘Mission’, ‘Core Principles’, ‘Definition of Internal Auditing’, the ‘Code of Ethics’ and ‘the Standards’.

Accountability / Responsibility

The accountability for maintaining an adequate and effective system of internal audit within GCiC as per the Constitution lies with the Head of Policy and Resources as the Council's Section 151 Officer.

In addition, for the purposes of this Charter, the following definitions shall apply regarding accountabilities / responsibilities in relation to Internal Audit:

Definition	Details	Responsibility in relation to Internal Audit at GCiC
The Board	The governance group charged with providing independent assurance on the adequacy of the control environment, comprising risk management, control and governance.	Audit and Governance Committee.
Senior Management	Those responsible for the governance / management of the Council.	Senior Management Team
ARA Shared Service Board	Oversees the strategic direction and performance of the Shared Service.	ARA Shared Services Board Member – Head of Policy and Resources

Position in GCiC

The Chief Internal Auditor reports administratively to the Head of Policy and Resources and functionally to the Audit and Governance Committee, who are responsible for ensuring that there is a satisfactory standard of risk management, governance and internal control within the Council. In addition, the Chief Internal Auditor reports strategically to the ARA Shared Service Board, comprising of the three partner organisations Chief Financial Officers (s151 Officers) and/or their nominated deputies.

Right of Access

The Accounts and Audit (England) Regulations 2015 state that '*any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit (a) make available such documents and records; and (b) supply such information and explanations as are considered necessary by those conducting the internal audit*'.

The Chief Internal Auditor has the right of direct access to any Member or Officer of the Council including the Statutory Officers, i.e. Managing Director, Monitoring Officer and the Chief Financial Officer (s151 Officer).

Where it is considered necessary for the proper discharge of the internal audit function, the Chief Internal Auditor has the right of direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Audit and Governance Committee), including private meetings without management present.

To provide independent assurances to senior management and the board, Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is granted full, free and unrestricted access to all personnel, documents, personal records, other records, assets, and premises, belonging to the Council and/or its key delivery partner organisations, as considered necessary for the purposes of the audit.

In addition, Internal Audit has authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities.

If required, this access should not be subject to prior notice, which extends to partner bodies and external contractors working on behalf of the Council. Internal Audit's right of access to third parties should be reflected in contracts and service level agreements.

All employees are required to assist the internal audit activity in fulfilling its roles and responsibilities.

Independence and Objectivity

The Chief Internal Auditor will ensure that internal audit activity will remain free from interference by any element in the Council that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, report content and communicating results. The Chief Internal Auditor will ensure internal auditors:

- are sufficiently independent of the activities they audit to enable them to provide impartial, unbiased and effective professional judgements and advice. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in any other activity that may impair their judgment;
- do not perform any operational duties for GCiC or its partners;
- do not initiate or approve transactions external to the Internal Audit service;
- exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined; and

- make a balanced assessment of all the relevant circumstances and not be duly influenced by their own interests or by others in forming judgements and opinions.

To achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, effective arrangements are in place within GCiC, to ensure the internal audit function:

- operates in a framework that allows unrestricted access to ‘Senior Management’ and ‘the Board’;
- reports functionally to ‘the Board’;
- reports in their own name;
- rotates responsibilities for audit assignments within the Internal Audit team;
- freedom to determine its priorities;
- completes individual annual declarations confirming compliance with rules on ethics, independence, objectivity, conflicts of interest, the Bribery Act 2010 and acceptance of inducements;
- ensures the planning process recognise and address potential conflicts of interest through internal audit staff not undertaking an audit for at least two years in an area where they have had previous operational roles and/or undertaken consulting activity; and
- ensures independence and objectivity where executive or operational responsibilities lie with the Chief Internal. The Chief Internal Auditor does not have any executive responsibilities within GCiC and is independent of all audited activities.

The Chief Internal Auditor will confirm to the board at least annually that the internal audit activity is organisationally independent.

If there has been any real or apparent impairment of independence or objectivity, the details of the impairment will be disclosed to ‘Senior Management’ and ‘the Board’. The nature of the disclosure will depend upon the impairment.

To ensure the independence of the Chief Internal Auditor is safeguarded and that remuneration and performance assessment are not inappropriately influenced by those subject to audit.

Internal Audit Resources

The Chief Internal Auditor will be professionally qualified (CMIIA, CCAB or equivalent) and have wide ranging internal audit, risk management and management experience.

The Head of Policy and Resources will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and to meet statutory obligations. The Internal Audit budget is reported to Cabinet and Full Council for approval annually as part of the overall Council budget.

The Chief Internal Auditor will ensure that the internal audit service has access to an appropriate range of knowledge, skills, personal attributes, qualifications, experience and competencies required to perform and deliver its responsibilities. In addition to in-house internal audit resource, the Chief Internal Auditor may engage the use of external resources where it is considered appropriate, including the use of specialist providers e.g. IT internal audit provision and counter fraud specialists.

The audit plan is dynamic to ensure it remains responsive to the changing priorities and risks of the Council.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to 'Senior Management' and 'the Board'.

'Senior Management' and 'the Board' will be advised where, for whatever reason, Internal Audit is unable to provide assurance on any significant risks within the annual internal audit plan, due to limitations on resources.

If 'Senior Management', 'the Board' or the Chief Internal Auditor, consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Standards is prejudiced, they will advise the Head of Policy and Resources accordingly.

Proficiency and Due Professional Care

Internal auditors will perform work in accordance with the PSIAS and with due professional care, competence and diligence. Internal auditors cannot be expected to identify every risk, control weakness or irregularity but their work should be designed to enable them to provide reasonable assurance that the key risks (including the consideration of fraud and information technology risks) within the scope of their review, are being effectively controlled / managed, taking into consideration the relative complexity, materiality or significance of matters to which assurance procedures are applied.

Auditors will take into consideration the cost of assurance, in relation to the potential benefits and risk exposure.

Internal auditors will be required to undertake a programme of Continuing Professional Development in order to develop and maintain their professional and behavioural skills, competencies and knowledge.

Relationship with External Audit / Other Relevant Assurance Providers / Regulatory Bodies

Internal Audit will liaise, share information, including fraud and irregularity information to the external auditors and co-ordinate its activities with internal and external providers of assurance to ensure there is adequate coverage and minimise duplication of effort. Where other external and internal assurance providers have undertaken assurance work, Internal Audit will seek to rely on the work of these other providers, or jointly work with the third party, if deemed relevant and appropriate.

Scope of Internal Audit Activities

Assurance

The service is responsible for providing independent assurance across the Council's entire 'control environment', comprising risk management, control and governance. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of GCiC's strategic objectives are appropriately identified and managed;
- Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management;
- The actions of GCiC's officers, directors and contractors are in compliance with the Council's policies, procedures, and applicable laws, regulations, and governance standards;
- The results of operational activities or programs are being carried out effectively and efficiently consistent with established goals and objectives;
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity; and
- Resources and assets are acquired economically, used efficiently, and protected adequately.

This means that the scope includes all of the Council's operations, resources, services and responsibilities to enable the Chief Internal Auditor to provide an annual opinion. However, in addition to the core assurance activity, Internal Audit also provides the following services:

Counter-Fraud and Investigation

Managing the risk of fraud, corruption and bribery is the responsibility of management. Internal Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. However, whilst Internal Audit does not have responsibility for the detection or prevention of fraud and corruption, Internal Audit fully considers the risk of fraud and corruption when undertaking its activities.

Investigations into potential financial irregularities are undertaken by Internal Audit, whether reported directly to the Chief Internal Auditor, or referred by the Monitoring Officer, as required under the Council's Counter-Fraud and Corruption Policy Statement and Strategy and Whistleblowing Policy. The scope and approach taken to the investigation is dependent upon the nature of the allegations, which may also require referral to the Police or other enforcement agencies.

In certain circumstances, Internal Audit may delegate the investigation of specific allegations to the service itself following an assessment of risk and financial impact.

On completion, findings are reported to an appropriate level of management, who will then be responsible for determining action to be taken. In addition, the Chief Internal Auditor reports all key frauds and irregularities to the statutory officers, namely the Managing Director, Monitoring Officer and Chief Financial Officer on a monthly basis and quarterly updates are provided to the Audit and Governance Committee.

Internal Audit also facilitates the Council's participation in the National Fraud Initiative (NFI) in which data from the Council's main systems are matched with data supplied from other Local Authorities and external agencies to detect potential fraudulent activity.

Consultancy

The service also undertakes consultancy work designed to improve the effectiveness of risk management, control and governance processes at the request of the Council, subject to there being no material impact on the core assurance activity and the availability of skills and resources. Due to Internal Audit's knowledge of the Council's systems and processes Internal Audit is well placed to provide risk and control advice and support to managers on potential implications of changes to policy, process and/or systems. The provision of such advice does not prejudice Internal Audit's right to evaluate the established systems and controls at a later date.

In order to help services to develop a greater understanding of audit activity and have a point of contact in relation to any support they may need, Internal Audit has nominated a specific named portfolio lead auditor. The arrangements also enable Internal Audit to keep in touch with key changes and developments within services that may impact on its work.

Other Activity

The Chief Internal Auditor, may, at the request of ‘the Board’ or ‘Senior Management’, carry out investigations into issues where the Council’s strategic, operational and/or financial interests are at stake.

The Chief Internal Auditor shall seek approval from the Board for any significant additional consultancy services/other activity not already included in the Annual Internal Audit Plan, prior to accepting the engagement, if this materially affects the core assurance activity.

External Work

ARA provides an internal audit service outside of the Council and its partners. Such assurances fall under the following categories:

- Work under contract;
- Government Grant Chief Internal Auditor sign off; and
- Pension Fund activity.

Approval from the ARA Shared Service Board is obtained prior to entering into any significant contractual arrangements.

Risk Management

Internal Audit is not responsible for managing the Council’s risks, which is the responsibility of management. However, Internal Audit supports management in making its assessment of risk and impact. The Internal Audit service will also share information gathered during the course of the audit work with management to enhance management’s understanding of their risks and advise on the controls to manage them.

Internal Audit Planning

The Chief Internal Auditor will produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The proposed activity should be consistent with the Council’s priorities and objectives and taking into account the Council’s risk management framework, including risk appetite levels set by management and Internal Audit’s own judgement of risks.

To ensure our internal audit resources continue to be focussed accordingly, it is essential that we understand our clients’ needs, which means building relationships and consultation with our key stakeholders, which includes the Audit and Governance Committee and other assurance providers in order to gain crucial insight and ongoing ‘intelligence’ into the strategic and operational change agendas within the Council.

This insight is not only identified at the initial development stages of the plan but dialogue continues throughout the financial year(s) which increases the ability for the Internal Audit service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. The plan is therefore dynamic and flexible to meet these needs.

The Audit and Governance Committee are responsible to formally approve the Risk Based Internal Audit Plan, whilst the Chief Internal Auditor will be responsible for its delivery.

Reporting

Reporting to Management

A written report will be prepared and issued by the Chief Internal Auditor or designee following the conclusion of each Internal Audit activity and will be distributed as appropriate.

The Internal Audit report will include management's response, corrective action taken, or to be taken, action owners and target dates in regard to specific findings and recommendations. Internal Audit will follow up all high priority recommendations made and report, as required, to Senior Management and the Board any corrective actions agreed but not implemented.

Reporting to 'the Board' and 'Senior Management'

The Board (at Gloucester City Council is Audit and Governance Committee)

The Chief Internal Auditor shall deliver an annual internal audit opinion and report (and quarterly progress reports on Internal Audit activity) to 'the Board' that helps to inform the Council's Annual Governance Statement.

The annual internal audit report and opinion will conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The annual report will include, as a minimum:

- The Chief Internal Auditor's opinion;
- A summary of the work that supports the opinion;
- A statement of conformance with the PSIAS; and
- The results of the quality assurance and improvement programme.

Organisational independence is effectively achieved when the Chief Internal Auditor reports functionally to the Board. Such reporting will include:

- approving the Internal Audit Charter and Code of Ethics;
- approving the Annual Risk Based Internal Audit Plan;

- receiving communications from the Chief Internal Auditor on the Internal Audit activity's performance relative to its plan and other matters, including the annual report and opinion;
- receiving and considering major Internal Audit findings and recommendations;
- monitoring management's response to Internal Audit findings and the implementation of the recommendations, including where the Chief Internal Auditor has concluded that management has accepted a risk that may be unacceptable to the Council or concerns about progress with the implementation of agreed actions;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations;
- agreeing the scope and form of the external assessment as part of the Quality Assurance and Improvement Programme;
- receiving the results of internal and external assessments of the Quality Assurance and Improvement Programme, including areas of non-conformance with professional standards;
- approving significant consulting services not already included in the audit plan, prior to acceptance of the engagement, if this materially impacts on core assurance activity.

Senior Management

As those responsible for the management of the Council it is imperative that the Senior Management Team is engaged in:

- reviewing and being consulted on the Internal Audit Charter and Code of Ethics;
- reviewing and being consulted on the Risk Based Internal Audit Plan;
- receiving communications from the Chief Internal Auditor on the Internal Audit activity's performance relative to its plan and other matters;
- making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; and
- receiving the results of internal and external assessments of the Quality Assurance and Improvement Programme, including areas of non-conformance.

Within GCiC, the Head of Policy and Resources and the Chief Internal Auditor ensure that all of the above are brought to the attention of the Senior Management Team.

Management can assist the process of Internal Audit by:

- Early notification of plans for change, including new operational systems and processes;
- Considering and responding to audit reports and recommendations within a reasonable time period; and
- Notifying the Chief Internal Auditor immediately of any suspected fraud, irregularity, theft and improper use of misappropriation of the Council's assets, property or resources.

Quality Assurance and Improvement Programme (QAIP)

The PSIAS require that the Internal Audit function is subject to maintaining a Quality Assurance and Improvement Programme that must include both internal and external assessments. The Chief Internal Auditor has developed and implemented a QAIP that covers all aspects of the internal audit activity which enables conformance with all aspects of the PSIAS to be evaluated.

In addition, the Chief Internal Auditor will communicate to the Senior Management and the Board on the internal audit activity's QAIP, including results of annual internal assessments and external assessments conducted at least every five years.

The external assessment will be undertaken by a qualified, independent assessor or assessment team from outside the Council. Progress against any improvement plans agreed following external assessment, will be reported in the Internal Audit Annual Report.

The Chief Internal Auditor will discuss options for the assessment jointly with the ARA Shared Services Board and the partner Audit Committees.

Internal Audit

Code of Ethics



ARA
AuditRiskAssurance

Gloucester City Council  Stroud District Council  Gloucestershire County Council 

Internal Audit Code of Ethics

The *Code of Ethics* is a statement of principles and expectations governing the behaviour of individuals and organisations in the conduct of internal auditing as mandated by the Public Sector Internal Auditing Standards (PSIAS) 2017 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note for the UK PSIAS 2019 Edition.

The purpose of the Code is to promote an ethical culture in the profession of internal auditing. It does not supersede or replace internal auditors' own professional bodies' codes of ethics, or those of employing organisations.

The Code provides the principles and rules of conduct under four headings as summarised below:

Rule	Principle
Integrity	The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.
Objectivity	Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.
Confidentiality	Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
Competency	Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

1. Integrity Principle

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.

Rules of Conduct

Internal Auditors:

- Shall perform their work with honesty, diligence, and responsibility.
- Shall observe the law and make disclosures expected by the law and the profession.
- Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation.
- Shall respect and contribute to the legitimate and ethical objectives of the organisation.

2. Objectivity Principle

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

Rules of Conduct

Internal Auditors:

- Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.
- Shall not accept anything that may impair or be presumed to impair their professional judgement.
- Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality Principle

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Rules of Conduct

Internal Auditors:

- Shall be prudent in the use and protection of information acquired in the course of their duties.
- Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

4. Competency Principle

Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

Rules of Conduct

Internal Auditors:

- Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- Shall perform internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- Shall continually improve their proficiency and the effectiveness and quality of their services.

The Standards of Public Life

In addition, ARA also has regard to the Committee on Standards in Public Life's *Seven Principles of Public Life*. Further details can be found [here](#).

The Seven Principles of Public Life (holders of public office)

Selflessness

Should take decisions solely in terms of the public interest.

Integrity

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 to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

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

Should be truthful.

Leadership

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.

This page is intentionally left blank

INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2019-2022



2019 - 2022

Contents

Interpretation	2
Benefits of a QAIP	2
PSIAS Standard 1300	3
Internal Assessments	3
On-going Reviews	3
Periodic Reviews	4
External Assessment	4
Responsibility / Communication of QAIP Results	5
Appendix 1: Internal Audit service QAIP and performance monitoring arrangements	6
Appendix 2: Internal Audit Service Improvement Plan.	13
Appendix 3: Internal Audit QAIP framework.	15

Interpretation

A Quality Assurance and Improvement Programme (QAIP) enables an evaluation of the internal audit activity's conformance with the Internal Professional Practices Framework (IPPF), Definition of Internal Auditing and Standard 1300 (Quality Assurance and Improvement Programme) within the Public Sector Internal Audit Standards (PSIAS) 2017 and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity with the primary objective of the QAIP to promote continuous improvement to enable Internal Audit to meet its mission i.e.

'A collaborative partnership delivering a modern, innovative, customer focused service aligned to business needs to enhance and protect organisational value by providing risk based, independent and objective assurance, consulting activity, advice and insight.'

Benefits of a QAIP

Internal Audit's QAIP is designed to provide reasonable assurance to its stakeholders that the service:

- Conforms with the mandatory guidance of the IPPF;
- Applies a systematic, disciplined (risk based) approach to the internal audit activity;
- Has the ability to increase the credibility of internal audit within the organisation;
- Anticipates, meets and exceeds stakeholder expectations;
- Supports, develops and retains good internal auditors, as team members are a fundamental part of the process with specific tasks and KPIs built into personal development plans;
- Performs its work in accordance with its Charter (which is consistent with the PSIAS);
- Operates in an effective and efficient manner; and
- Adds value and identifies areas for continual improvement to the services provided.

PSIAS Standard 1300

A QAIP covers the entire spectrum of assurance, consulting and fraud / irregularity work performed by the internal audit activity in accordance with the Standard 1300. To implement the Standard the Chief Internal Auditor (CIA) must consider the requirements related to its five essential components:

1. Internal assessments (Standard 1311);
2. External assessments (Standard 1312);
3. Communication of QAIP results (Standard 1320);
4. Proper use of a conformance statement (Standard 1321); and
5. Disclosure of non-conformance (Standard 1322).

Internal Assessments

Internal assessments are undertaken through both on-going day to day supervision and periodic reviews.

On-going Reviews

Continual assessments of quality are undertaken via:

- Management supervision of all audit activity and structured documented review of Terms of Reference, working papers, draft and final reports;
- Audit quality procedures for each audit engagement to ensure consistency, quality and compliance with planning, fieldwork and reporting standards;
- CIA review of all reports where a limited opinion on the control environment has been provided;
- Feedback from audit clients obtained through surveys at the closure of each engagement;
- Post audit evaluations undertaken at the end of each audit activity to identify trends and any learning and development needs;
- Regular 121s between line managers and auditors to monitor performance;

- Monitoring of internal performance targets and quarterly reporting to Senior Management, Audit Committees and Boards;
- High priority recommendation monitoring process in place to ensure implemented; and
- Follow up audits undertaken where a limited assurance opinion on the control environment provided.

Periodic Reviews

Periodic assessments are conducted via:

- Annual Risk Based Internal Audit Plan developed. However, is dynamic and changes in year due to risk, consultancy, irregularity and assurance needs;
- Quarterly Progress Reports presented to the partner Audit Committees and Client Board of Directors which includes progress against the annual plan, reports issued during the period including details of the risk and control opinions and summaries of key issues and outcomes from the work undertaken in the period, including fraud and irregularity work;
- Annual self-assessment of conformance with the PSIAS and annual review of compliance against the requirements of the QAIP, the results of which are reported to Senior Management, the Audit Committees and Boards;
- Principal Auditor Working Group (PAG) led by the Group Manager (GM) identifies, develops and recommends to the CIA, any required changes to operational practices and processes;
- Feedback from the ARA Board which includes Senior Management and Audit Committee Chairs on the CIA's performance; and
- Six monthly performance development reviews for each Internal Auditor.

External Assessment

In addition to internal assessments, the CIA is responsible for ensuring that the internal audit activity conducts an external assessment at least once every five years in consultation with Senior Management and the Board.

The purposes of the assessment, which must be performed by an independent assessor or assessment team from outside the organisation, is to validate whether the internal audit activity conforms with the Standards and whether internal auditors apply the Code of Ethics.

A self assessment may be performed in lieu of a full external assessment, provided it is validated by a qualified, independent, competent and professional assessor.

The review undertaken during May 2015 by the Chartered Institute of Internal Auditors (CIIA) included a review of the team's conformance to the International Professional Practice Framework (IPPF) as reflected in the PSIAS, benchmarking the function's activities against best practice and assessing the impact of internal audit on the organisation. There are 56 fundamental principles to achieve with more than 150 points of recommended practice in the IPPF. The independent assessment identified 100% conformance and reported the outcomes to the June 2015 Gloucestershire County Council Audit and Governance Committee.

The next external assessment is due in May 2020 and will be undertaken by the CIIA assessment team. The outcomes of the review will be reported to the partner Audit Committees in July 2020.

Responsibility / Communication of QAIP Results

The CIA is committed to continuous improvement and is responsible for implementing the QAIP and will ensure that the results of this programme are communicated to Senior Management, Audit Committees and Boards (as defined within the Charters). However, all staff within Internal Audit have responsibility for maintaining quality, therefore all activities outlined in this QAIP involve all staff. The communication of QAIP results will include:

- The outcomes in respect of both internal and external assessments;
- The internal audit service will only communicate that the internal audit activity conforms with International Standards for the Professional Practice of Internal Auditing, if results of both the QAIP's internal and external assessments support such a statement; and
- Any non-conformance with the IPPF's mandatory elements of the standards, their impacts and improvement plans. Significant areas of non-compliance will be used to inform the Annual Governance Statement.

Appendix 1: Internal Audit service QAIP and performance monitoring arrangements.

Quality Objective: To provide maximum assurance to inform the annual audit opinion.		
KPI / Measure of assessment	Target	Reporting
<p>Risk Based Internal Audit Plan</p> <p>To undertake a risk based annual plan formulation exercise which includes facilitating risk based audit planning workshops for the Boards and the portfolio areas designated, which then feed into the overall audit plan(s). (As per the CIA approved methodology).</p>	<p>Timetable set by CIA.</p>	<p>Annually to Senior Management and the Board (Audit Committees and Board of Directors).</p>
<p>Planned audit activities completed</p> <p>Percentage of planned assurance work from revised plan (including carry forwards) completed to draft report stage as at 31st March in each financial year.</p> <p>Monitored at 121s and 6 monthly Personal Development Reviews.</p>	<p>85%</p>	<p>Annual report to Senior Management and the Board.</p> <p>Quarterly progress reports to the Board.</p>
<p>Planned audit activities completed</p> <p>Percentage of individual audit activities completed to final report stage from the issue of the Terms of Reference.</p> <p>Allocated days up to 15 (3 months).</p> <p>Allocated days 16+ (4 months).</p> <p>Monthly monitoring of individuals by the line management. Quality Assurance process.</p>	<p>80%</p>	<p>Overall monitoring by the GM reporting key issues to the CIA.</p>

Page 61

Quality Objective: To provide maximum assurance to inform the annual audit opinion.		
KPI / Measure of assessment	Target	Reporting
<p>Planned audit activities completed</p> <p>Percentage of individual audit activities completed to draft report stage within 15 working days from QA submission.</p> <p>Monthly monitoring of individuals by the line management quality assurance process.</p>	90%	Overall monitoring by the GM reporting key issues to the CIA.
<p>Counter Fraud and Investigation Activity</p> <p>To undertake a fraud risk assessment in accordance with relevant best practice / guidance to enable the direction of counter fraud activity and risk based internal auditing.</p>	December of each year to help inform annual audit planning.	Outcomes form part of Annual Internal Audit Plan which is presented to Senior Management and the Board.
<p>Limited Assurance Opinions</p> <p>Where a “limited” assurance opinion is made, the report will be reviewed by the CIA or in her absence by the GM before being issued to the client. This time needs to be factored in, to still ensure the client receives the report within the 15 working day target.</p>	100%	Annual report to Senior Management and the Board. Quarterly progress reports to the Board.

Page 62

Quality Objective: To ensure that the service is customer focused, adds value and continually improves.

KPI / Measure of assessment	Target	Reporting
<p>Post Audit Customer Satisfaction Survey Feedback</p> <p>% of customers scoring audit service good or above (3 out of 4) where 1 is poor and 4 is excellent.</p> <p>Line Management review identifying and recommending to the CIA any 'lessons' learned' for further development and improvement.</p>	80%	Annual report to Senior Management and the Board.
<p>Post Audit Evaluation (PAE)</p> <p>PAE (activity lead and activity manager) self assessments undertaken at the end of each audit activity to identify any developmental and learning actions.</p>	100%	Overview by the GM reporting key issues to CIA.
<p>Acceptance of Recommendations</p> <p>Percentage of high / medium recommendations accepted which evidences added value in risk mitigation.</p>	90%	<p>Annual report to Senior Management and the Board.</p> <p>Quarterly progress reports to the Board.</p>
<p>Management Responses</p> <p>Percentage of management responses to audit actions within 14 days.</p> <p>Escalation process in place as required.</p>	80%	<p>Quarterly report to GM.</p> <p>CIA ability to report to the Board as required.</p>

Quality Objective: To ensure that the service is customer focused, adds value and continually improves.

KPI / Measure of assessment	Target	Reporting
<p>Development of Terms of Reference</p> <p>To develop a quality terms of reference with minimal input from the activity manager which focuses on the ‘right first time’ principle which then informs the final audit report.</p> <p>PAE assessment of trends and developmental needs.</p>	<p>Any activity over 2 attempts is escalated to Line Managers.</p>	<p>Monitored by GM and overseen by the CIA to identify any learning and development actions.</p>
<p>Development of Audit Report</p> <p>To develop a quality first draft audit report with minimal input from the activity manager which focuses on the ‘right first time’ principle and is ready to be discussed with the client, prior to submission to the activity manager for quality assurance.</p> <p>PAE assessment of trends and developmental needs.</p>	<p>Any activity over 2 attempts is escalated to Line Managers.</p>	<p>Monitored by GM and overseen by the CIA to identify any learning and development actions.</p>

Quality Objective: To ensure that the service is customer focused, adds value and continually improves.

KPI / Measure of assessment	Target	Reporting
<p>Audit Reports Audit report 'corporate' circulation list implemented to enable risks / issues / recommendations to feed back into business as usual i.e. via Finance and Planning, Performance and Change to enable the management of risk by management.</p>	<p>100%</p>	<p>Corporate circulation list agreed and implemented. Documented in Audit Manual.</p>
<p>Internal Audit's Strategic Performance Discuss Internal Audit's overall strategic performance with the ARA Shared Services Board implementing improvements as identified / required.</p>	<p>Quarterly</p>	<p>ARA Shared Services Board.</p>
<p>Chargeable Hours/productivity (non official KPI) The audit plan is stated in terms of estimated productive days provided to the Council. The CIA target is to achieve 70% productivity.</p>	<p>70% productivity levels</p>	<p>Resource allocation at annual planning stage. QA process and CIA plan monitoring.</p>

Page 65

Quality Objective: To manage and implement approved Client Audit Plan as agreed by the Ubico Ltd Board of Directors within the contracted days.

KPI / Measure of assessment	Target	Reporting
<p>Completion of Ubico Ltd Audit Plan</p> <p>Percentage of planned assurance work from plan complete to draft report stage as at 31st March in a financial year.</p>	100%	<p>Annual report to the Board of Directors and Senior Management.</p> <p>Quarterly progress reports to the Board of Directors.</p>

Quality Objective: To ensure that the service embeds and reflects organisational values.

KPI / Measure of assessment	Target	Reporting
<p>Staff Behaviours and Values - Accountability, Integrity, Empowerment, Respect and Excellence</p> <p>All ARA officers to consider and apply organisational values to their daily working behaviours and approach e.g. to:</p> <ul style="list-style-type: none"> ➤ Identify and communicate information in a timely manner that would have an impact on the ARA team; ➤ Reflect on working practices and champion any changes or improvements that are needed; ➤ Actively seek opportunities for learning and development; ➤ Show mutual respect and provide support for each other across the Shared Service; and ➤ Constructively challenge behaviour that is not consistent with values and receive any feedback from colleagues in a positive light. 	<p>Adherence</p>	<p>Monitored at 121s and Performance Development Reviews.</p>

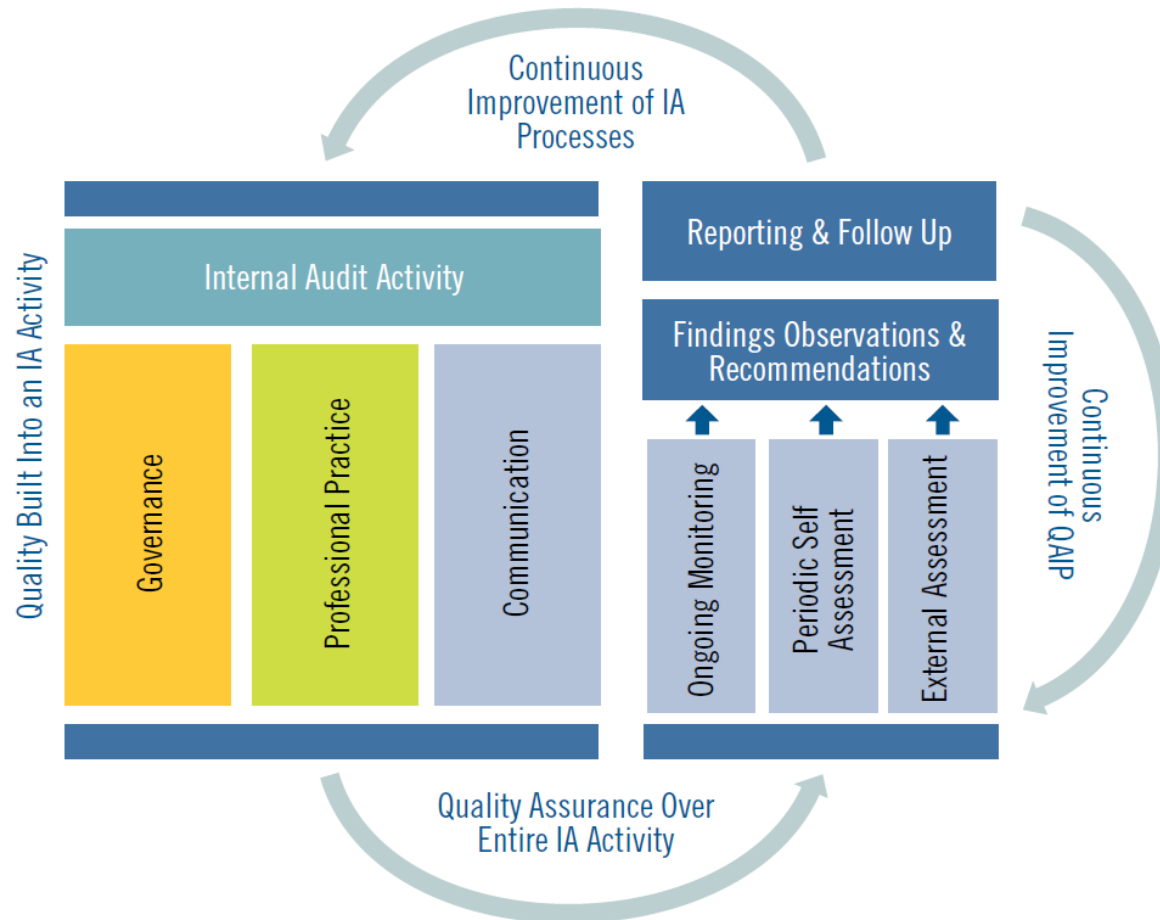
Appendix 2: Internal Audit Service Improvement Plan.

Improvement Plan 2020/2021 onwards

	Opportunities for Improvement / Actions	Responsible Officer(s)	Timescale
1.	<p>Time Management</p> <p>The current requirement is that any variation over budget for completion of an audit activity needs to be authorised by the Activity Manager, and if this is to exceed the allocated days by 5 working days this needs to be authorised in advance by the Group Manager to enable the achievement of the audit plan.</p> <p>Due to a number of audits exceeding their allocated days, a specific project will be implemented led by the GM and supported by PAG to consider trends, rationale and make recommendations for improvement.</p>	GM / CIA	30th September 2020
2.	<p>Team Development</p> <p>To develop and implement a mandatory team training day facilitated by an external professional internal audit provider to ensure auditors are kept abreast of key issues / changes in the profession of internal auditing.</p>	GM / CIA	With effect from 1 st January 2020

	Opportunities for improvement / Actions	Responsible Officer(s)	Timescale
3.	<p>Personal Development - Senior and Trainee Auditors</p> <p>To undertake one quality assurance review of an audit that has been undertaken, by a peer member of the Internal Audit team.</p>	GM / CIA	With effect from 1 st April 2020
4.	<p>Annual presentation of the Internal Audit Charter, Code of Ethics and QAIP to Audit Committee</p> <p>To continue to promote the role, purpose, status and authority of Internal Audit within the organisation and explain how Internal Audit supports effective corporate governance.</p>	CIA	With effect from 31 st January 2020
5.	<p>Audit Manual Update</p> <p>To ensure all updates to audit systems, processes, practices and templates are reflected via the audit manual to ensure all retained in a central repository and easily accessible to all auditors.</p>	GM / CIA	With effect from 1 st January 2020
6.	<p>Succession Planning</p> <p>To continue with the career graded trainee auditor to senior auditor programme, to promote an attractive recruitment and retention offer, enable more effective succession planning and support ongoing resilience and sustainability.</p>	CIA	Ongoing

Appendix 3: Internal Audit QAIP framework.





Meeting:	Audit and Governance Committee	Date:	20th January 2020
Subject:	Annual Governance Statement 2018/19 Improvement Plan – Progress Report		
Report Of:	Head of Audit Risk Assurance (Chief Internal Auditor)		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Theresa Mortimer - Head of Audit Risk Assurance		
	Email:	Tel: 01452 396430	
	Theresa.Mortimer@gloucester.gov.uk		
Appendices:	A: Annual Governance Statement 2018/19 Improvement Plan – Progress Report		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To provide assurance to the Committee that the improvement areas and associated actions identified as part of the annual review of governance arrangements operating within the Council, have been/are being addressed.

2.0 Recommendations

2.1 Audit and Governance Committee is asked to **RESOLVE** to review and consider the actions taken to address the governance improvement areas identified.

3.0 Background and Key Issues

3.1 The Council is required by the Accounts and Audit Regulations 2015 to publish an Annual Governance Statement, in accordance with ‘proper practices’ in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance. This approach includes how the Council has monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

3.2 The Annual Governance Statement is signed by the Leader and Managing Director (Head of Paid Service) and must accompany the Annual Statement of Accounts.

3.3 Members approved the Council’s Annual Governance Statement 2018/19 (including the Annual Governance Statement 2018/19 Improvement Plan) at the 22nd July 2019 Audit and Governance Committee meeting.

3.4 This report is the first update presented to Members on the Council’s progress (detailed in **Appendix A**) against agreed actions from the Annual Governance Statement 2018/19 Improvement Plan.

4.0 Social Value Considerations

4.1 There are no 'Social Value' considerations arising out of the recommendations in this report.

5.0 Environmental Implications

5.1 There are no 'Environmental' implications arising out of the recommendations in this report.

6.0 Alternative Options Considered

6.1 There are no alternative options that are relevant to this matter.

7.0 Reasons for Recommendations

7.1 The Council is required to produce an Annual Governance Statement under the Accounts and Audit Regulations 2015. Through the Council's Constitution, the Audit and Governance Committee has responsibility for review and approval of the Statement (including relevant Improvement Plans).

8.0 Future Work and Conclusions

8.1 The Council's Annual Governance Statement 2019/20 is due to be presented to Audit and Governance Committee in July 2020, and will include a final progress report against the Annual Governance Statement 2018/19 Improvement Plan.

9.0 Financial Implications

9.1 There are no direct financial costs arising out of this report.

(Financial Services have been consulted in the preparation this report).

10.0 Legal Implications

10.1 Nothing specific arising from the report recommendations.

(One Legal have been consulted in the preparation this report).

11.0 Risk and Opportunity Management Implications

11.1 Failure to deliver an effective corporate governance framework prevents the Council in directing and controlling its resources effectively and efficiently, to enable the Council's objectives to be met.

12.0 People Impact Assessment (PIA):

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

14.0 Staffing & Trade Union Implications

14.1 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents: [Annual Governance Statement 2018/19](#)
[Local Code of Corporate Governance 2018/2019](#)

This page is intentionally left blank

Progress on 2018/2019 Gloucester City Council’s Governance Improvement Actions

AGS Review Reference	Governance matters identified / actions taken	Target Date and Lead Officer
<p>AGS Assurance Framework</p>	<p>Future Financial Sustainability / Efficiency Savings</p> <p>The Money Plan sets out the Council’s strategic approach to the management of its finances and presents indicative budgets and Council Tax levels for the medium term. It also comments on the significant financial risks facing the Council in the forthcoming years and explains what the Council is doing to reduce those risks. The Money Plan forecasts indicate the need for a continued delivery of savings in each year of the Plan. In February 2019, Council approved the implementation of the target savings for the Money Plan 2019-24. In addition to savings in previous years, further savings of £0.250m in 2019/20 were included. With the inclusion of settlement figures for 2019/20 and the assumption of further formula grant reductions over the life of the plan, further savings will be required. The financial gap is £0.090m in 2019/20.</p> <p>Due to the high levels of further savings required, the Council put in place a transformation programme called ‘Together Gloucester’ to deliver required efficiencies in line with the Council’s Money Plan.. The Council’s challenge is to continue this journey of transformation to fully implement Together Gloucester and designed outcomes.</p>	<p>Head of Policy and Resources</p> <p>31st March 2020</p>

	<p>The Council has now commenced its move to Shire Hall and the digital transformation journey is continuing to deliver the required transformation and savings.</p> <p>Actions taken in response to the above: Close monitoring of budgets will be carried out in each financial year. Continuous monitoring of service pressures and ongoing focus on preventative support.</p>	
<p>Position as at December 2019</p> <p>During 2019/20 detailed budget monitoring continues, identifying both in year opportunities and potential pressures. Where these opportunities or pressures are considered to be ongoing the Council 5 year Money Plan is updated to reflect this. Detailed monitoring reports are provided to both the Senior Management Team and to both scrutiny and Cabinet. The plan due to be presented to Council in February 2020 does not expect any additional efficiencies or additional income requirements. However the Council will continue to seek and identify opportunities to provide Value for Money in the service we deliver.</p>		

AGS Review Reference	Governance matters identified / actions taken	Target Date and Lead Officer
AGS Assurance Framework	<p>Together Gloucester Service Transformation</p> <p>A peer challenge was undertaken in November 2017 and made 10 recommendations for future action and corporate improvement. This action has been completed. However the Council is continuing its transformation journey.</p> <p>The Together Gloucester programme is focussed on putting in place a coherent transformation programme and a clearer narrative for our internal transformation plans. Identifying and promoting Gloucester’s ‘Unique Selling Point’ and use it consistently for inward investment, tourism, cultural and economic development regeneration and to establish a stronger identity for Gloucester. Finding effective ways to harness the co-operation, spending power and resources of local, county and regional partners to shape and deliver Gloucester based solutions which have a beneficial social impact and make the most of our ‘asset based community development’ approach.</p> <p>Additional Actions taken in response to the above:</p> <p>The Council commissioned Ignite, a market leader in this field, to help us develop a resourced transformation programme which will enable us to redesign business processes and develop a robust IT transformation plan.</p>	<p>Managing Director</p> <p>31st March 2020</p>

	<p>The transformation proposals were presented to Cabinet on 12th September 2018.</p> <p>In October 2018 Together Gloucester 2 (TG2) was launched to deliver 5 transformational work streams:</p> <ol style="list-style-type: none">1. Accommodation – the relocation of the City Council’s main offices to Shire Hall, Gloucester to provide a fully agile, IT enabled working environment;2. Service Redesign – to critically examine 180 high volume or high value operational processes to eliminate, streamline, simplify or automate where possible;3. IT Investment – to implement an ambitious programme of investment in hardware and software to enable service redesign and office agility;4. Commercialisation – to explore opportunities to reduce expenditure or increase income from the Council’s commercial, contracted or commissioned activities; and5. Strategy, Performance and Governance – to increase the Council’s capacity better manage its strategic direction, its performance management and its programme and project governance. <p>All elements of the TG2 programme are underway.</p>	
--	---	--

Position as at December 2019

1. **Accommodation** The relocation to Shire Hall and The Gateway has taken place alongside the introduction of a new IT platform and new telephony and the promotion of hot desking and agile working.
2. **Service Redesign** A Business Analyst team drawn from existing staff was recruited to systematically work through the Council's 180 high volume operational processes. Where efficiencies and improvements could be made without the need for IT process changes these have been or are being introduced. Processes which require new IT systems or integrations are being revised as technology becomes available.
3. **IT Investment** IT investment has been made including new laptops for Staff and Councillors, new Skype for Business Telephony, an upgrade to Windows 10 and a shift to Microsoft Office 365 and a transfer of processing technologies to new servers. A new digital platform and contact centre have been procured and improvements have been made to the City Council website; these changes improve the experience when interacting with the Council and provide the capability for customers to self-serve where appropriate.
4. **Commercialisation** This is underway. The Council's property Investment Strategy is generating additional income forecast to be £900k pa, a revision to the Amey Contract has been negotiated which will better share risk with Amey and lead to financial benefits forecast to be worth £720,000 over the remaining lifetime of the contract. Procurement options and programmes are being developed for the Council's other major outsourced services over the next 4 years – Leisure (Aspire); Revenues and Benefits (Civica); IT (Civica) and Waste and Streetscene (Amey).
5. **Strategy, Performance and Governance** Strategic planning, service planning and performance reporting have been strengthened and strategic policy and performance posts have been appointed to improve capacity.

This page is intentionally left blank



Meeting:	Audit and Governance Committee	Date:	20th January 2020
	Cabinet		12th February 2020
Subject:	Risk Management Policy Statement and Strategy 2020-2023		
Report Of:	Head of Audit Risk Assurance (ARA): Chief Internal Auditor		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Theresa Mortimer - Head of Audit Risk Assurance		
	Email:	theresa.mortimer@gloucester.gov.uk	Tel: 396430 or
	theresa.mortimer@gloucestershire.gov.uk		328883
Appendices:	1. Risk Management Policy Statement and Strategy 2020-2023		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To propose an updated Risk Management Policy Statement and Strategy to be effective from 1st April 2020.

2.0 Recommendations

2.1 Audit and Governance Committee is asked to RECOMMEND to Cabinet that:

- (1) The Risk Management Policy Statement and Strategy 2020-2023 be adopted and endorsed; and
- (2) Following endorsement, the Strategy be disseminated to Members and officers in accordance with a communications plan to reaffirm the council’s risk management objectives.

2.2 Cabinet is asked to **RESOLVE** that:

- (1) The Risk Management Policy Statement and Strategy 2020-2023 be adopted and endorsed; and
- (2) Following endorsement, the Strategy be disseminated to Members and officers in accordance with a communications plan to reaffirm the council’s risk management objectives.

3.0 Background and Key Issues

Risk Management - Maximising Opportunities by taking Managed Risks

3.1 It has always been important for organisations to identify and manage their risks.

This view has been reinforced by public sector legislation i.e. the Accounts and Audit Regulations 2015 where it states *‘A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.’*

- 3.2 In addition, the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016) notes seven key principles to enable the development of good governance within public services, one of which states that good governance is *‘managing risks and performance through robust internal control and strong public financial management.’*

Adoption of the Risk Management Policy Statement and Strategy 2020-2023

- 3.3 The council’s Risk Management Policy Statement and Strategy is reviewed on an annual basis by officers to ensure compliance with regulatory and good practice guidance. It is then reported to Audit and Governance Committee and Cabinet as a minimum every three years and/or when significant change is required. The document sets out the council’s agreed risk management approach and acts as an agreed reference for good practice and regulatory requirements.
- 3.4 The current document (2017-2020) has been reviewed and revised, as appropriate, being presented to the Senior Management Team, for agreement, prior to presentation to Members.
- 3.5 To assist with the review and revision of the above document and the identification of any improvement areas to the council’s current risk management arrangements, a self assessment was undertaken against the International Standards Organisation ISO31000 (revised in 2018), Risk management – Principles and Guidelines (an internationally recognised benchmark). The ISO31000 provides principles, framework and a process for managing risk. It can be used by any organisation regardless of its size, activity or sector. Working to the principles of ISO31000 can help organisations increase the likelihood of achieving objectives, improve the identification of opportunities and threats, and effectively allocate and use resources for risk treatment.
- 3.6 Review of the Risk Management Policy Statement and Strategy to the ISO31000 (2018) did not prompt significant change to the council’s document.

4.0 Social Value Considerations

- 4.1 There are no ‘Social Value’ considerations arising out of the recommendations in this report.

5.0 Environmental Implications

- 5.1 There are no ‘Environmental’ implications arising out of the recommendations in this report.

6.0 Alternative Options Considered

- 6.1 This is a strategic policy document which is presented to Members as a minimum every three years. The last document was endorsed by Members in January 2017. No alternative options have been considered.

7.0 Reasons for Recommendations

Risk Governance

- 7.1 In addition to the statutory requirements and codes of good practice as noted within paragraphs 3.1 and 3.2, the council has responded to the above by incorporating these requirements into the Council Constitution, specifically within Part 3 which defines the members/officers responsibilities in relation to risk management and also within Financial Regulations - Audit and the Control of Resources.

Audit and Governance Committee

- 7.2 The Audit and Governance Committee has a specific role in relation to risk management which is to:
- Provide independent assurance to the council of the adequacy and effectiveness of the risk management arrangements and associated control environment; and
 - Receive an annual report on risk management activity.

8.0 Future Work and Conclusions

- 8.1 An embedded risk management approach helps to support the challenges that the council may face, allowing it to react dynamically to changing external circumstances by enabling the council to handle risk effectively and deliver successful outcomes.
- 8.2 A Risk Management Policy Statement and Strategy communications action plan is embedded into the council Risk Management Action Plan – to ensure dissemination of requirements to Members and officers through the City intranet and other agreed approaches (all staff communications etc).

9.0 Financial Implications

- 9.1 Nothing specific arising from the report recommendations. In general terms, the existence and application of an effective risk management regime assists prudent and cost-effective decision making.

(Financial Services have been consulted in the preparation this report).

10.0 Legal Implications

- 10.1 Nothing specific arising from the report recommendations. In general terms, the existence and application of an effective risk management regime assists prudent decision making which is less susceptible to legal challenge.

(One Legal have been consulted in the preparation this report).

11.0 Risk & Opportunity Management Implications

11.1 Failure to deliver on effective risk management, particularly during periods of significant change, may have a detrimental effect on the achievement of the potential opportunities and adverse effects that challenge the assets, reputation and objectives of the council, strategic decision making and the wellbeing of our stakeholders.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 A requirement of the Accounts and Audit Regulations 2015 is for the Council to *'ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.'*

Adoption of the Risk Management Policy Statement and Strategy 2020-2023 and the associated framework support and ensure compliance with the Council's equality policies.

12.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

14.0 Staffing & Trade Union Implications

14.1 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents:

- Accounts and Audit Regulations 2015;
- Delivering Good Governance in Local Government: Framework 2016 (CIPFA/SOLACE);
- Gloucester City Council Constitution;
- Gloucester City Council Risk Management Policy Statement and Strategy 2017-2020; and
- ISO31000 (2018) Risk management – Principles and guidelines.

Gloucester City Council

Risk Management Policy Statement and Strategy

2020-2023



Gloucester
City Council
Transforming Your City

ARA
Audit Risk Assurance
Gloucester City Council  STROUD DISTRICT COUNCIL  Gloucestershire COUNTY COUNCIL

Risk Management Policy Statement

Gloucester City Council (the council) recognises that Risk Management is one of the key principles of effective corporate governance. It is also a key contributor to a sound internal control environment and the Annual Governance Statement.

The council seeks to adopt recognised best practice in the identification, evaluation and cost effective/proportional control of risks and opportunities to ensure that they are managed at acceptable levels. Risk management within the council is about managing our threats and opportunities and striving to create an environment of 'no surprises'. By managing our threats effectively we will be in a stronger position to deliver our business objectives. By managing our opportunities we will be in a better position to demonstrate improved services and better value for money.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally or to our service delivery. Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development. As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. We must ensure that the decisions we take as a council reflect a consideration of the potential implications for all our stakeholders. We must decide whether the benefits of taking our actions outweigh the risks.

The council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, are understood and proactively managed, rather than avoided. Risk management therefore needs to be taken into the heart of the council and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily council activities are identified, assessed and addressed in a standard way. We do not shy away from risk but instead seek to proactively manage it. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges.

The Cabinet and the Senior Management Team are fully committed to effective risk management and see it as part of our responsibility to deliver an effective public service to the communities within Gloucester.

Contents

Risk Management Strategy.....	2
What are the real benefits of managing risk?.....	2
Our strategic risk management objectives	3
What is the council's Risk Appetite?	4
How are our objectives going to be met?	4
Monitoring and Review of Risk Management Activities (minimum requirements)	5
Accountabilities, roles and responsibilities.....	6
Risk Management Governance Structure	11

Risk Management Strategy

This strategy recognises that the next few years will present unprecedented challenges for the council in delivering its services and corporate priorities.

Risk management is a central part of the council's strategic management. It is a cyclical process whereby the council identifies, evaluates, monitors and controls potential opportunities and adverse effects that challenge the assets, reputation and objectives of the organisation. It enables the council to effectively manage strategic decision-making, service planning and delivery, to safeguard the wellbeing of our customers and stakeholders.

The council should not be afraid of identifying a risk or feel that identifying a risk is a failure. Identification of a risk provides an opportunity for improvement and success!

What are the real benefits of managing risk?

Risk Management will strengthen the ability of the council to achieve its corporate objectives and enhance the value of services provided by:

- Informing strategic and operational decision-making;
- Safeguarding all persons to whom the council has a duty of care;
- Increasing our chances of success and reducing our chances of failure;
- Enhancing stakeholder value by minimising losses and maximising opportunities;
- Increasing knowledge and understanding of exposure to risk;
- Enabling not just backward looking review, but forward looking thinking;
- Contributing towards social value and sustainable development;
- Reducing unexpected and costly surprises;
- Minimising our vulnerability to fraud and corruption;
- Freeing up management time from 'fire-fighting';
- Providing management with early warnings of problems;
- Ensuring minimal service disruption;
- Ensuring statutory compliance;
- Better targeting of resources i.e. focus scarce resources on high risk activity;
- Reducing the financial costs due to, e.g. service disruption, litigation, insurance premiums and claims, and bad investment decisions;
- Delivering creative and innovative projects; and
- Protecting our reputation.

Our strategic risk management objectives

- Strategic approach to risk management to make better informed decisions which is vital to successful transformational change;
- Setting the 'tone from the top' on the level of risk we are prepared to accept on our different service delivery activities and priorities. Understanding our 'risk appetite' and acknowledging that how we 'think about risk' will be different depending on the context of corporate impact and sensitivity;
- Risk management enables us to be more consistent in options appraisals and more flexible/agile in delivering change. Risk aversion can result in the bar being set much higher for commissioning a change compared with maintaining the status quo;
- Acknowledging that even with good risk management and our best endeavours, things can go wrong. Where this happens we use the lessons learnt to try to prevent it from happening again;
- Developing leadership capacity and skills in having a clear understanding of the risks facing the council and how we manage them;
- Risk management should be integral to how we run council business/services. Risk management processes provide effective arrangements that identify and achieve successful local and national priority objectives;
- Supporting a culture of well-measured risk taking throughout the council's business, including strategic, programme, partnership, project and operational. This includes setting risk ownership and accountabilities and responding to risk in a balanced way, considering the level of risk, reward, impact and cost of control measures;
- Ensure that the council continues to meet all statutory and best practice requirements in relation to risk management and continues to be a key and effective contributor to corporate governance and a satisfactory Annual Governance Statement;
- Effective monitoring and Board (Audit and Governance Committee (AGC)) intelligence on the key risks facing the council; and
- Good practice tools to support the council in the management of risks.

What is the council's Risk Appetite?

There are numerous definitions of organisational 'risk appetite', but it is fundamentally about how much of what sort of risk an organisation is willing to take. The HM Treasury definition being: "The amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time." So why do we need to determine our risk appetite?

If managers are running the business with insufficient guidance on the levels of risk that are legitimate for them to take, or not seizing important opportunities due to a perception that taking on additional risk is discouraged, then business performance will not be maximised. At the other end of the scale an organisation constantly erring on the side of caution (or one that has a risk-averse culture) is one that is likely to stifle creativity and not necessarily encouraging innovation, nor seek to exploit opportunities.

A framework has been developed and implemented to enable risk judgements to be more explicit, transparent and consistent. By enhancing our approach to determining risk appetite we are able to raise the council's capability to deliver on challenging targets to raise standards, improve service quality, system reform and provide more value for money.

This framework is considered by all levels of the business, from strategic decision making, to operational delivery.

How are our objectives going to be met?

The council's objectives will be achieved by:

- Adopting good practice risk management principles, in line with the Institute of Risk Management Professional Standards 2015 and the International Risk Management Standard (ISO31000 - 2018). The application of the standards and principles within it will be reviewed. The council's Risk Management Policy Statement and Strategy is reviewed on an annual basis by officers to ensure compliance with regulatory and good practice guidance; being reported to Audit and Governance Committee and Cabinet as a minimum every three years and/or when document amendment is required to reflect key changes;
- Establishing clear roles and responsibilities and reporting lines within the council for risk management;
- Incorporating risk management into the council's decision making and strategic management processes;

- Incorporating risk management into service/business planning, option appraisals, programme and project management, collaborative working and procurement processes;
- The provision of risk management training, advice, detailed guidance and support and providing opportunities for shared learning; and
- The provision of a risk governance framework to ensure the adequacy and effectiveness of the identification, assessment, control, monitoring and review arrangements in place to manage risk. The framework will ensure that risk management is dynamic and responsive to change.

Monitoring and Review of Risk Management Activities (minimum requirements)

- A quarterly review of the Strategic Risk Register;
- Regular review of service area risk registers;
- Regular review of programme/project/partnership risk registers;
- Annual review of the corporate Risk Management Policy Statement and Strategy by officers to regulatory and good practice guidance, with reporting to Audit and Governance Committee and Cabinet every three years (as a minimum) and/or when significant change is required;
- An annual report on risk management activity; and
- An annual review and report on the overall effectiveness of risk management and internal control by Internal Audit, which feeds into the Annual Governance Statement and includes a Risk Maturity Assessment.

Accountabilities, roles and responsibilities

There needs to be clarity in terms of 'who does what' otherwise we will be exposed to risks being unmanaged, causing us damage or loss that we could otherwise influence, control or avoid. The key roles and responsibilities are outlined below:

Cabinet/Portfolio Holders

- Endorse the Risk Management Policy Statement and Strategy;
- Endorse the content of the Strategic Risk Register and proposed risk mitigation plans, and monitor implementation;
- Be aware of the risk management implications of decisions;
- Monitor key performance results including the production of an annual report on strategic risk management activity; and
- To nominate a Lead Member Risk Management Champion to be responsible for the championing, scrutiny and oversight of the risk management activities.

Scrutiny

- Ensure that risks and opportunities within their portfolio are identified and effectively managed through discussions with Corporate Directors and Service Heads;
- Facilitate a risk management culture across the council;
- Contribute to the Cabinet review of risk and being proactive in raising risk from the wider Gloucester area and community; and
- Monitor and challenge key decision making, particularly with regard to the key risk controls and actions.

Audit and Governance Committee (the Board)

- To consider the council's framework of assurance i.e. the Three Lines of Defence model;
- To monitor the effective development and operation of risk management in the Council and to monitor progress in addressing risk-related issues reported to the Committee;
- To review the assessment of fraud risks and potential harm to the Council from fraud and corruption;
- To ensure compliance with the current Gloucester City Council Audit and Governance Committee Terms of Reference;

- Provide independent assurance to the council of the adequacy and effectiveness of the risk management arrangements and associated control environment; and
- Receive an annual report on risk management activity.

Senior Management Team (SMT)

- Provide corporate leadership of risk management throughout the council;
- Agree an effective council-wide framework for the management of risks and opportunities;
- Advise Members on effective risk management and ensure Members receive relevant risk information;
- Ensure that the council complies with the corporate governance requirements relating to risk management;
- Own the council's Strategic Risk Register and ensure that risks are reviewed quarterly as part of the wider council's performance arrangements;
- Ensure that reports to support strategic and/or policy decisions include a risk assessment;
- Monitor the implementation of key mitigation plans and controls assurance programmes;
- Ensure processes are in place to report any perceived new/emerging (key) risks or failures of existing control measures; and
- To be collectively responsible for the championing, scrutiny and oversight of risk management activities.

Corporate Directors

- Ensure that risk management within their areas of responsibility is implemented in line with the council's Risk Management Strategy;
- Assist in the preparation of the council's Annual Governance Statement by providing an assurance statement for the internal control framework operating within their service(s);
- Ensure that risks associated with the delivery of outcomes are identified and effectively managed by owning risk registers;
- Ensure regular review of the risk registers as part of wider council performance;
- Challenge relevant Heads of Service on relevant risks relating to their areas of responsibility;
- Proactively raise risk issues at management team meetings and with Scrutiny members; and

- Encourage members of the service areas to act as champions for risk, to work alongside the Corporate Risk Management Team, being the key interface in supporting the application of risk management principles within their service.

Heads of Service

- Ensure that risk management, within their areas of responsibility, is implemented in line with the council's Risk Management Strategy;
- Own their risk register and identify cross-cutting risks as well as risks arising from their areas of responsibility; prioritising and initiating mitigating actions;
- Ensure quarterly review of the service risk register as part of wider council performance;
- Report to Corporate Directors on any perceived new and emerging risks or, failures of existing control measures;
- Promote and share good practice across service areas;
- Liaise with their Heads of Service with regards to championing risk; and
- Challenge risk owners and actions to ensure that controls are operating as intended.

Managers

- Ensure that risk management within their areas of responsibility is implemented in line with the council's Risk Management Strategy;
- Communicate the risk management arrangements to staff;
- Liaise with their Heads of Service with regards to championing risk;
- Identify training needs and report these to their Heads of Service with regards to championing risk;
- Take accountability for actions and, report to their Head of Service; and
- Report any perceived new and/or emerging risks or, failure of control measures to their Head of Service.

Staff/Other Stakeholders

- Maintain risk awareness, assessing and managing risks effectively in their job, and report risks to their manager.

Corporate Risk Management Team - Audit, Risk, Assurance (ARA)

Corporate Risk Management Team risk management work is based on the three lines of defence risk assurance model, with key roles, responsibilities and deliverables confirmed within the Gloucester City Council Risk Management Action Plan.

Strategic and Operational Risk

- Lead on the development and manage the implementation of an integrated risk management framework, strategy and process on behalf of the council;
- Undertake an annual review of the council's Risk Management Strategy and update accordingly, presenting any revisions to the Audit and Governance Committee, senior management and Cabinet for approval;
- Spread the ethos and promote the effectiveness of good risk management throughout the council;
- Facilitate the review and update of the Strategic Risk Register;
- Support the identification of cross-cutting risks and risk management issues;
- Support the development of the council's service, programme, project and partnership risk registers;
- Provide the council with guidance, toolkits, advice and support on the application of risk management principles and, support the Risk Champions in delivering their role;
- Lead, co-ordinate and develop risk management activity across the council with the support of the Heads of Service with regards to championing risk;
- Ensure that all relevant staff and Members are adequately trained in risk management and risk assessment techniques;
- Moderate and challenge the application of risk management principles accordingly;
- Liaise with external consultants and risk management organisations and review national standards to identify, share and maintain best practice within the council; and
- Liaise with both internal and external audit with regard to risk management.

Corporate Risk Management (virtual) Group

A virtual group, made up of senior officers within the following, can be convened as required:

- Corporate Risk Management;
- Legal Services;
- Finance;
- Service area risk champions;
- Information Management; and
- Health and Safety.

The key aims of a virtual group are to:

- Act as the main risk management contact/advisor for their service areas, ensuring that corporate information and requirements are communicated throughout the service areas

and that key service risk information is escalated, to enable appropriate action to be taken by the Corporate Risk Management Team i.e. 'top down – bottom up' approach;

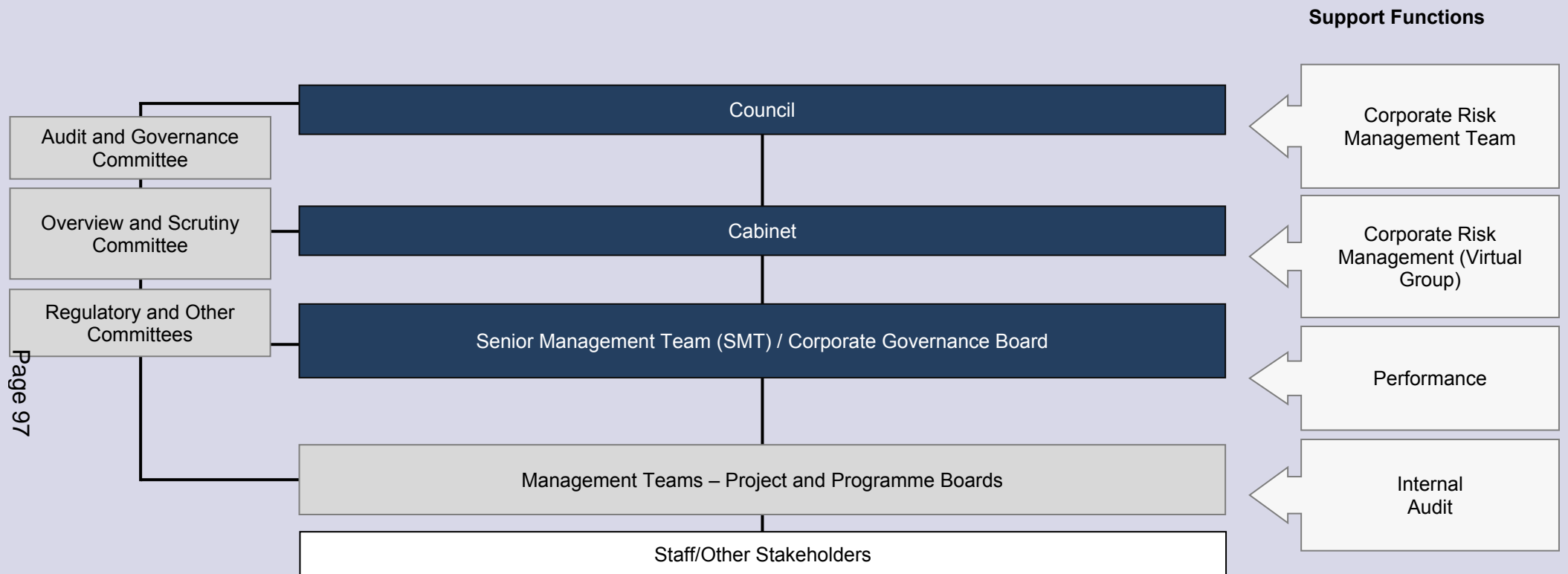
- Support the implementation of the council's Risk Management Policy and Strategy;
- To provide ongoing support for risk inclusion on the Strategic Risk Register;
- Support the development and regular review of the service, programme, project and partnership risk registers, and provide advice as necessary;
- Identify and provide advice to SMT on cross cutting risks and risk management issues;
- Provide support on risk management to Corporate Directors, Service Heads and other managers within their service area;
- Promote the benefits of risk management across their service areas;
- Identify their service areas training needs and notify the Corporate Risk Management Team; and
- Promote and share best practice/lessons learned across the service areas.

Internal Audit

The role of Internal Audit in respect of risk management is to:

- Provide an annual independent, objective assessment/opinion of the effectiveness of the risk management and control processes operating within the council which feeds into the council's Annual Governance Statement;
- Provide advice and guidance on risk and control; and
- Ensure that the Internal Audit activity is focused on the key risks facing the council.

Risk Management Governance Structure





Meeting:	Audit and Governance Committee	Date:	20th January 2020
Subject:	Internal Audit Activity Progress Report 2019/20		
Report Of:	Head of Audit Risk Assurance (Chief Internal Auditor)		
Wards Affected:	Not applicable		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Theresa Mortimer - Head of Audit Risk Assurance		
	Email:	Theresa.Mortimer@gloucester.gov.uk	Tel: 39-6430
Appendices:	A: Internal Audit Activity Progress Report 2019/20		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2019/20.

2.0 Recommendations

2.1 Audit and Governance Committee is asked to **RESOLVE** to:

- (1) Accept the progress against the Internal Audit Plan 2019/20;
- (2) Accept the assurance opinions provided in relation to the effectiveness of the Council’s control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date; and
- (3) It is recommended that the Committee requests senior management attendance at the next meeting to provide an update on the actions taken in relation to the recommendations made in the Building Control Shared Service limited assurance report.

3.0 Background and Key Issues

3.1 Members approved the Internal Audit Plan 2019/20 at 11th March 2019 Audit and Governance Committee meeting. In accordance with the Public Sector Internal Audit Standards 2017 (PSIAS), this report (through **Appendix A**) details the outcomes of Internal Audit work carried out in accordance with the approved Plan.

3.2 The Internal Audit Activity Progress Report 2019/20 at **Appendix A** summarises:

- The progress against the 2019/20 Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;

- The outcomes of the Internal Audit activity during the period November 2019 to December 2019; and
- Special investigations/counter fraud activity.

3.3 The report is the third progress report in relation to the Internal Audit Plan 2019/20.

4.0 Social Value Considerations

4.1 There are no Social Value implications as a result of the recommendation made in this report.

5.0 Environmental Implications

5.1 There are no Environmental implications as a result of the recommendation made in this report.

6.0 Alternative Options Considered

6.1 No other options have been considered as the purpose of this report is to inform the Committee of the Internal Audit work undertaken to date, and the assurances given on the adequacy and effectiveness of the Council's control environment operating in the areas audited. Non completion of Internal Audit Activity Progress Reports would lead to non compliance with the PSIAS and the Council Constitution.

7.0 Reasons for Recommendations

7.1 The role of the Audit Risk Assurance shared service is to examine, evaluate and provide an independent, objective opinion on the adequacy and effectiveness of the Council's internal control environment, comprising risk management, control and governance. Where weaknesses have been identified, recommendations have been made to improve the control environment.

7.2 The PSIAS require that the Chief Internal Auditor should report on the outcomes of Internal Audit work, in sufficient detail, to allow the Committee to understand what assurance it can take from that work and/or what unresolved risks or issues it needs to address.

7.3 Consideration of reports from the Chief Internal Auditor on Internal Audit's performance during the year, including updates on the work of Internal Audit, is also a requirement of the Audit and Governance Committee's terms of reference (part of the Council Constitution).

8.0 Future Work and Conclusions

8.1 In accordance with the PSIAS, and reflected within the Audit and Governance Committee work programme, Internal Audit Activity Progress Reports against the approved Internal Audit Plan 2019/20 are scheduled to be presented to the Audit and Governance Committee at the 9th March 2020 and 20th July 2020 meetings.

9.0 Financial Implications

9.1 No financial implications as a result of this report

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

10.1 Monitoring the implementation of Internal Audit recommendations assists the council to minimise risk areas and thereby reduce the prospects of legal challenge.

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

11.1 Failure to deliver an effective Internal Audit Service will prevent an independent, objective assurance opinion from being provided to those charged with governance that the key risks associated with the achievement of the Council's objectives are being adequately controlled.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 A requirement of the Accounts and Audit Regulations 2015 is for the Council to *'undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'*. The Internal Audit Service is delivered by Audit Risk Assurance which is an internal audit and risk management shared service between Gloucester City Council, Stroud District Council and Gloucestershire County Council. Equality in service delivery is demonstrated by the team being subject to, and complying with, the Council's equality policies.

12.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 There are no Community Safety implications as a result of the recommendation made in this report.

14.0 Staffing & Trade Union Implications

14.1 There are no Staffing & Trade Union implications as a result of the recommendation made in this report.

Background Documents: Internal Audit Plan 2019/20
PSIAS
CIPFA Local Government Application Note for the UK PSIAS

This page is intentionally left blank

Internal Audit Activity Progress Report

2019-2020



(1) Introduction

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that 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”. The Internal Audit Service is provided by Audit Risk Assurance under a Shared Service agreement between Gloucester City Council, Stroud District Council and Gloucestershire County Council and carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to management and to this Committee.

The guidance accompanying the Regulations recognises the Public Sector Internal Audit Standards 2017 (PSIAS) as representing “proper internal audit practices”. The standards define the way in which the Internal Audit Service should be established and undertake its functions.

(2) Responsibilities

Management are responsible for establishing and maintaining appropriate risk management processes, control systems (financial and non financial) and governance arrangements.

Internal Audit plays a key role in providing independent assurance and advising the organisation that these arrangements are in place and operating effectively.

Internal Audit is not the only source of assurance for the Council. There are a range of external audit and inspection agencies as well as management processes which also provide assurance and these are set out in the Council’s Code of Corporate Governance and its Annual Governance Statement.

(3) Purpose of this Report

One of the key requirements of the standards is that the Chief Internal Auditor should provide progress reports on internal audit activity to those charged with governance. This report summarises:

- The progress against the 2019/20 Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;

- The outcomes of the Internal Audit activity during the period November 2019 to December 2019; and
- Special investigations/counter fraud activity.

(4) Progress against the 2019/20 Internal Audit Plan, including the assurance opinions on risk and control

The schedule provided at **Attachment 1** provides the summary of 2019/20 audits which have not previously been reported to the Audit and Governance Committee.

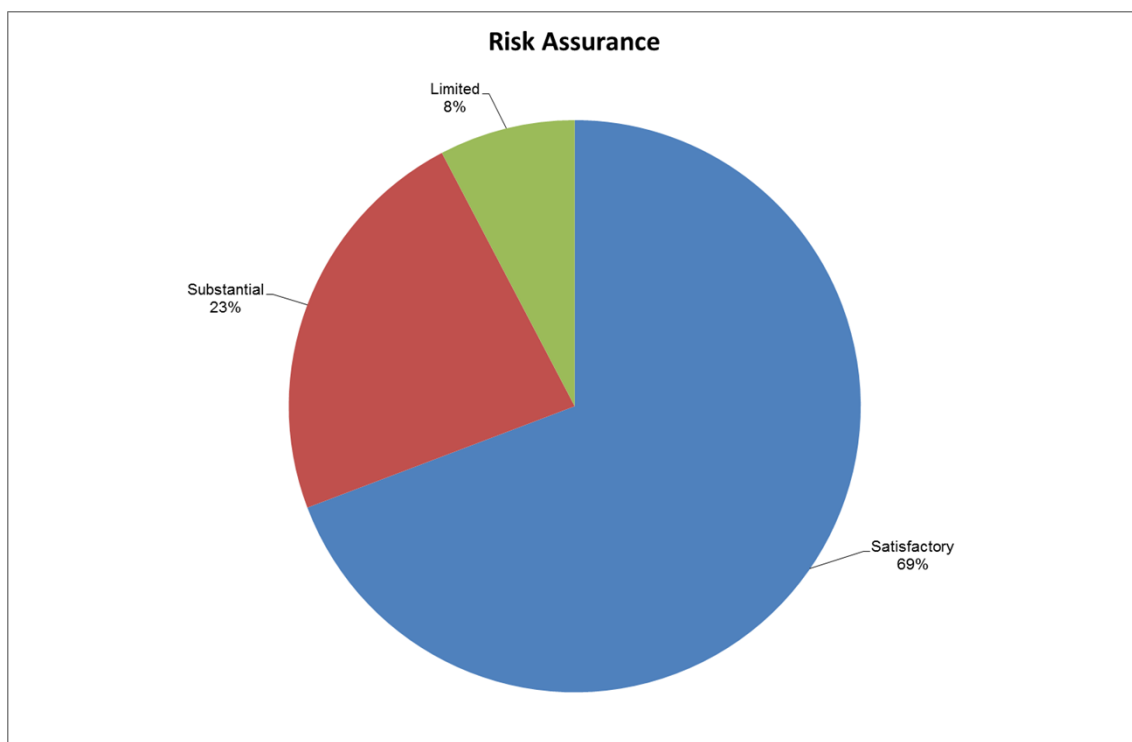
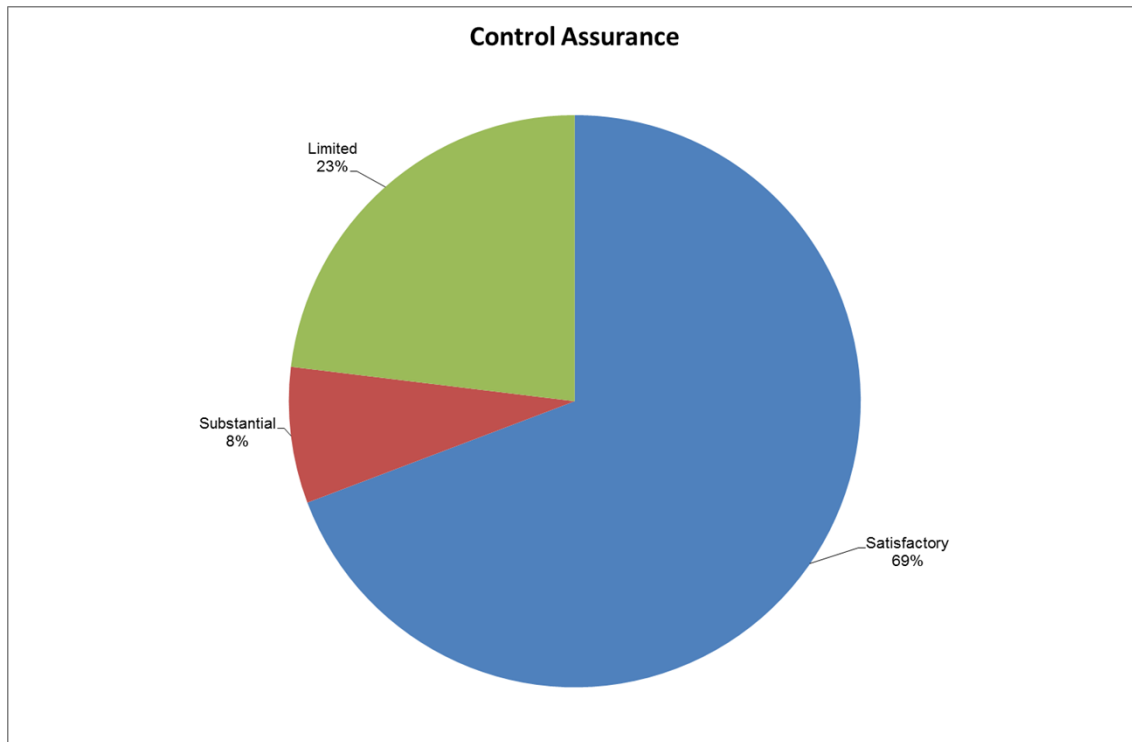
Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	<p>Risk Managed Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff. All key risks are accurately reported and monitored in line with the Council's Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved • Control Application – Controls are applied continuously or with minor lapses
Satisfactory	<p>Risk Aware Service area has an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff, however some key risks are not being accurately reported and monitored in line with the Council's Risk Management Strategy.</p>	<ul style="list-style-type: none"> • System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger • Control Application – Controls are applied but with some lapses
Limited	<p>Risk Naïve Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Council's Risk Management Strategy, the service area has not demonstrated an satisfactory awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment,</p>	<ul style="list-style-type: none"> • System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls • Control Application – Significant breakdown in the application of control

client/customer/partners and staff.

The schedule provided at **Attachment 2** contains a list of all of the 2019/20 Internal Audit Plan activity undertaken during the financial year to date, which includes, where relevant, the assurance opinions on the effectiveness of risk management arrangements and control processes in place to manage those risks and the dates where a summary of the activities outcomes has been presented to the Audit and Governance Committee. Explanations of the meaning of these opinions are shown in the below table.

(4a) Summary of Internal Audit Assurance Opinions on Risk and Control

The pie charts provided below show the summary of the risk and control assurance opinions provided within each category of opinion i.e. substantial, satisfactory and limited in relation to the 2019/20 audit activity undertaken up to December 2019.



(4b) Limited Control Assurance Opinions

Where audit activities record that a limited assurance opinion on control has been provided, the Audit and Governance Committee may request Senior Management attendance at the next meeting of the Committee to provide an update as to their actions taken to address the risks and associated recommendations identified by Internal Audit.

(4c) Audit Activity where a Limited Assurance Opinion has been provided on Control

During the period November 2019 to December 2019, one audit review has been provided with a limited assurance opinion on control which relates to the Building Control Shared Service.

It is important to note that whilst a limited assurance opinion has been provided, management have responded positively to the recommendations made and have provided assurance to Internal Audit (through management response to the recommendations raised within the report and verbal assurance) that a plan of action has been prepared to address the issues identified by this review.

In addition, where a limited assurance opinion is given, a follow up audit is undertaken to provide assurance that the agreed actions have been implemented by management.

(4d) Satisfactory Control Assurance Opinions

Where audit activities record that a satisfactory assurance opinion on control has been provided, where recommendations have been made to reflect some improvements in control, the Committee can take assurance that improvement actions have been agreed with management to address these.

(4e) Internal Audit Recommendations

During the period November 2019 to December 2019 Internal Audit made, in total, **15** recommendations to improve the control environment, **5** of these being high priority recommendations i.e. **10** being medium priority recommendations (**100%** accepted by management).

The Committee can take assurance that all high priority recommendations will remain under review by Internal Audit, by obtaining regular management updates, until the required action has been fully completed.

(4f) Risk Assurance Opinions

During the period November to December 2019, one limited assurance opinion on risk has been provided on completed audits from the 2019/20 Internal Audit Plan. This relates to Building Control Shared Service.

Where a limited assurance opinion is given, the Shared Service Senior Risk Management Advisor will be provided with the Internal Audit report(s) to enable the prioritisation of risk management support.

Completed Internal Audit Activity during the period November 2019 to December 2019

Summary of Limited Assurance Opinions on Control

Service Area:	Place
Audit Activity:	Building Control Shared Service (Gloucestershire Building Control Partnership)

Background

Stroud District Council (SDC) and Gloucester City Council provide a shared building control service known as the Gloucestershire Building Control Partnership (GBCP). The GBCP was established on 1st July 2015 under a Section 101 Agreement, with staff being employed by SDC acting as the host authority. The Building Control function comprises:

- Plan vetting and inspection of applications, which is a statutory council function in direct competition with the private sector. The financial arrangements for this service are separate from the authority's general fund and the financial accounts are known as the 'trading' account; and
- Enforcement of Building Regulations and legislation, whose financial arrangements are borne by an authority and are known as the 'non-trading' account.

Scope

The detailed audit objectives were to provide assurance that:

- There is effective governance, risk management and monitoring arrangements in place to confirm that the partnership is being managed effectively and that it achieves its main aims and objectives;
- The fees have been correctly determined, approved and comply with regulations;
- The costs of the service are correctly determined / calculated and apportioned to the partners; and

- Recommendations raised in the 2016-17 audit review have been implemented or there is an approved action plan to show how and when they will be implemented.

Risk Assurance – Limited

Control Assurance – Limited

Key Findings

- The GBCP has maintained and consolidated its market share (approximately 76% for the period 2016-17 to 2018-19) of building control application numbers and the number of customer complaints is at low levels (under 10 per year representing less than 1% of applications) providing some indication that the day to day operational performance of the shared service is being managed satisfactorily.
- Since the formation of the GBCP it has, year on year, made a surplus which as at 31st March 2019 represents a balance on the 'trading' account reserve account of £224,000. However, this financial position is not in accordance with the overriding objective of the Building (Local Authority Charges) Regulations 2010 Statutory Instrument No. 404 (Building Regulations) and The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance which states that income and costs should achieve a 'break even' position normally over a rolling period of three to five years.
- Budget projections for 2019-20 and 2020-21 recently performed by GBCP and host partner Finance function indicates there will be a significant reduction in the 2018-19 reserve account surplus.
- The review of the Section 101 Agreement against the actual operation and management of the GBCP highlighted non-compliance with the key documented terms and commitments. The main area of non-compliance was the absence of the regular quarterly Shared Service Board meetings (only one confirmed meeting since the previous audit in 2016-17 to July 2019) to jointly and effectively manage the financial position, risks and performance of the shared service.
- The regulations require that a financial statement (setting out the costs, income and any surplus or deficit position) is published at the end of each financial year. However, Internal Audit identified that since its

formation the GBCP has not made this information available to the public.

- Other issues identified by Internal Audit related to the lack of regular completion of timesheets by officers, inappropriate cost apportionment method, no independent oversight of the monthly income reconciliation and incomplete income debt recovery processes.

Conclusion

There is a governance framework, as detailed in the Section 101 Agreement, however it is not operating fully as intended. On a day to day operational basis the GBCP has functioned satisfactorily in that its market share has remained stable, complaints concerning the service are at low levels and the 'trading' account is not in a deficit position.

Similar findings were identified by Internal Audit in its previous review in 2016/17 and five medium priority recommendations were raised, which at the time were agreed for implementation by management. Generally the 2016/17 recommendations have not been or have only been partially implemented, therefore the recommendations have been reiterated and refocused with their importance increased under this latest review.

Consequently, going forward it is important for the partners to honour their obligations to jointly manage and monitor risks, performance and financial position of the shared service and ensure compliance with the Section 101 Agreement and Building Regulations.

Management Actions

Internal Audit has raised four high and five medium priority recommendations to strengthen the governance arrangements and ensure compliance with the Section 101 Agreement and Building Regulations. Implementation of the recommendations have been fully agreed by management.

Summary of Satisfactory Assurance Opinions on Control

Service Area: Council wide

Audit Activity: Governance review of Assurance Statements – 2018/19

Background

The Accounts and Audit Regulations 2015 requires the Council to publish an Annual Governance Statement (AGS) to report publicly on the extent to which they comply with their Local Code of Corporate Governance.

The Council's governance assurance framework is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance.

Evidence to support the AGS is drawn from several sources (external inspections, internal and external audit reports, finance, performance and risk management reports), however, one very important source of evidence, is the Assurance Statements completed by service managers.

Scope

To determine the robustness of the governance, internal control and risk management arrangements as detailed within a sample of the assurance statements. The review was limited to the AGS for 2018/19 formally published by the Council in July 2019.

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

- The compilation of the AGS is facilitated by the Head of Audit Risk Assurance on behalf of the Senior Management Team. Emails are sent out early January to service managers together with a document which details examples of compliance against each governance principle. Service managers are then required to complete and send their statement to their Head of Service to enable the composite statement to be compiled. The composite statement once completed is signed off by (1) Head of Service (2) Corporate Director and (3) Managing Director.
- From the review of the completed statements for 2018/19 the following observations are made:
 - The level of detail recorded by service managers varies with some demonstrating best practice through considering the requirements for

each Governance Principle and responding accordingly with appropriate example of systems that ensure compliance. In contrast others have adopted a more generic approach where they have recorded similar responses against each principle some of which were not relevant.

- Several statements refer to corporate policies being updated and held on the staff intranet. Whilst this is a correct statement the narrative is then not expanded to describe how they gain appropriate assurance that the policies are being complied with within their area.

- Of the nine significant control issues recorded in the assurance statements (completed by service managers) only one control issue was subsequently acknowledged within the Head of Service composite statement.

- The reasons for a change in direction of travel between years from 'partial to fully compliant' were not always present and identifiable.

Conclusion

The current process has been used for several years and generally mirrors the process adopted by many local authorities. The process is intended to capture the governance issues identified by service managers for their areas of responsibility and mostly this has been completed satisfactorily for the 2018/19 period.

Whilst no formal recommendations are made by this review, Internal Audit considers that in order to ensure this process does not develop into an annual tick box style review (of the Council's governance arrangements) it would benefit from:

- A refresh and reinvigoration exercise led by the Senior Management Team, clearly communicating why this is important and to provide directions on the minimum expectations;

- Enhanced level of challenge/scrutiny where generic statements are made by service managers and the specific actions taken by them when confirming compliance are not detailed;

- Ensuring that all non-compliance highlighted by a service manager is recorded in the heads of service composite statement to demonstrate

and enable meaningful review/consideration by the Corporate Director(s)/Managing Director; and

- Considering how widespread non-compliance with corporate policies (identified by third party assurance providers e.g. Internal Audit) are subsequently captured, recorded and monitored under this process.

Management Actions

The Head of Audit Risk Assurance has met with the Head of Policy and Resources to consider the findings and where appropriate implement initiatives / changes to the process for the 2019/20 governance review.

Service Area: Council Wide

Audit Activity: Network Access Controls Limited Assurance Follow Up

Background

Network access control is primarily a solution with the key objectives of creating and managing identity and access management; ensuring that security policy is followed, and removing, preventing and mitigating security risks to the entire network environment.

The original Network Access Controls internal audit was completed in 2017/18 and the final report issued on 17th August 2018. The audit resulted in a satisfactory assurance opinion for risk identification maturity and a limited assurance opinion for control environment. Five audit recommendations were raised (one High and four Medium priority) and accepted by management.

The Network Access Controls follow up review is to provide assurance that the agreed actions from the 2017/18 Network Access Controls internal audit have been appropriately implemented and that the original levels of assurance can be revised and reported to the Audit and Governance Committee.

Scope

The scope of this follow up review was to extract the recommendations and agreed management actions from the 2017/18 Network Access Controls internal audit

report and undertake appropriate audit review and testing to verify their implementation.

Risk Assurance – Substantial

Control Assurance – Satisfactory

Key Findings

Audit testing identified that extensive work had been undertaken to address the findings from the original internal audit report.

Discussion with relevant officers and review of Active Directory settings and content as at 28th October 2019 confirmed:

- Robust password and account lockout policies have been invoked on the Council's Active Directory domain including a minimum password age of two days to mitigate reuses of weak logon credentials;
- Passwords have been assigned to all live Active Directory user accounts; and
- Password expiry has been set on all Active Directory user accounts.

A standardised procedure has been implemented from January 2019 to ensure leaver Active Directory accounts are disabled and/or removed in a timely manner. Human Resources provide ICT with a monthly list of all leavers. The ICT team then disable the leaver accounts and proceed to recover any Council laptops or smartphones. Audit sample testing of 20 Council leavers for August and September 2019 confirmed that all sampled Active Directory accounts had been disabled.

The total number of Active Directory accounts has reduced from 1854 in April 2018 to 1173 as at October 2019.

Audit review of Active Directory Information (AD Info) data run in October 2019 confirmed that no live network user accounts had last logon dates in excess of seven months. Discussion with the Civica Service Delivery Director confirmed an ICT led periodic review is in place to identify inactive accounts and confirm that those present on the network are appropriate (e.g. where officers are on maternity leave/sick leave/other).

To address the risk of insecure or unnecessary Windows network services, Alien Vault internal vulnerability scanning software recently has been acquired for

deployment on the Council server estate. At the point of audit follow up review (November 2019), ICT have obtained additional technical support to correctly configure and analyse Alien Vault vulnerability scanning software in order to fully deliver this internal control.

Conclusion

The 2017/18 Network Access Controls internal audit report made a total of five audit recommendations (one High Priority and four Medium Priority). Audit follow up review and testing have confirmed that four recommendations have been fully implemented and one partially implemented.

The partially implemented recommendation (recommendation 5 Medium Priority - relevant to the review and prompt disablement of unnecessary services across the Window domain, which is to be delivered through the configuration and analysis of Alien Vault vulnerability scanning software) is targeted by ICT for full implementation by 2019/20 year end.

Management Actions

No new recommendations have been raised by the follow up internal audit report.

Service Area: Communities

Audit Activity: Licensing: Animal Activity

Background

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 were made by the Secretary of State under section 13 of the Animal Welfare Act 2006 to establish a new licensing regime to control the following licensable activities:

- Selling animals as pets;
- Providing or arranging for the provision of boarding for cats or dogs;
- Hiring out horses;
- Breeding dogs; and
- Keeping or training animals for exhibition.

The consequence of the regulations is that, subject to qualifying criteria, any person wishing to carry out any of licensable activities in England must obtain a licence from their local authority. Depending on the risk rating calculated, licences can be issued for one, two or three years and during the 12 months from October 2018, the Council granted 22 licences.

Scope

The overarching objective was to review the fee-setting arrangements, administration and monitoring of compliance with legislated requirements for the granting of a licence relating to animal activity. In particular to provide assurance that:

- New applications and subsequent renewals are managed in accordance with the regulations; and
- Fees are paid in advance of issue or renewal of a licence and are correctly coded and receipted in the Council's General Ledger.

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

- The Council has utilised Department for Environment, Food and Rural Affairs (DEFRA) guidance to provide clear and accessible information on its website to support applicants who wish to apply for a licence. Applicants can readily download the relevant application form along with a pre-inspection information sheet.
- To provide an appropriate audit trail, any relevant data pertaining to an application and is recorded in the Uniform database system, with supporting documentation deposited in Anite (electronic document storage facility).
- A schedule of proposed fees and charges were calculated (in consultation with the Finance Team) and agreed by the Licensing and Enforcement Committee of 14th March 2019 and apply to the period 1st April 2019 to 31st March 2020. The fees are designed to cover the cost of administering and enforcing the new regulations and for collecting

data to submit an annual return to DEFRA. Internal Audit can confirm that the correct fees are being charged and received from the applicant.

- The Council's Scheme of Delegation, delegates authority to undertake the non-executive function to Head of Communities in determining applications for the grant, renewal, variation or transfer of a licence. However, Internal Audit identified that in practice the decision to award a licence is being determined by officers who do not have the required delegated authority.

Conclusion

The introduction of the Regulations presented a significant challenge and it evident that officers are committed to ensuring the requirements of the regulations are met and to provide appropriate support to applicants throughout the process whilst ensuring that the welfare of animals remains paramount.

During the first 12 months any investigation into un-licenced operations has been carried out on a reactive basis (in response to complaints) but as the application process and related procedures become further embedded, this may present an opportunity for proactive enquiries to be made into potentially licensable activities.

Whilst the control framework has considered the requirements of the regulations, it should be further enhanced by:

- Changing practice to ensure that the decision to award a licence is undertaken and documented in compliance with the Council's Scheme of Delegation;
- To prepare procedural guidance notes detailing how applications will be processed from end to end and to establish/set out the overarching minimum standards, performance measures and quality assurance process to be applied; and
- Reviewing the procedures and application/legal declaration forms used to process franchised host arrangements ensuring a consistent approach is applied.

Management Actions

Management have responded positively to the audit findings and have confirmed the service has amended its practice to ensure immediate compliance with the Council's Scheme of Delegation. The remaining proposed actions will be completed (at the latest) by the end of March 2020.

Service Area: Policy and Resources

Audit Activity: IR35 (Off-payroll working through an intermediary)

Background

IR35 is tax legislation that is designed to combat tax avoidance by workers supplying their services to clients via an intermediary, such as a limited company, but who would be an employee if the intermediary was not used. Such workers are referred to as 'disguised employees' by Her Majesty's Revenue and Customs (HMRC).

The Council is responsible for determining IR35 status when procuring services and if the rules do apply must ensure that tax and Class 1 National Insurance Contributions are deducted at source. If any such persons are paid through agencies it remains the responsibility of the Council, as the client, to determine IR35 status and ensure that the agency is aware that tax and National Insurance must be deducted at source.

Scope

To review the systems, policies and procedures in place to ensure that new and existing off-payroll workers are identified, assessed and paid in accordance with IR35 requirements.

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

Under the off-payroll working rules (referred to as IR35), the Council is required to determine the employment status of a worker to see if the rules apply and inform the person or organisation holding the contract with the worker (the fee-payer) of the determination. If the Council does not tell the fee-payer of the determination,

the Council is responsible for paying any tax and National Insurance Contributions due.

Internal Audit confirmed that suitable guidance was available to managers on the intranet that details the required process for mitigating the associated risk of IR35 across all engagements of workers. However, discussion with managers found that the IR35 requirements were not always fully understood and the current process for acquiring agency staff or consultants did not always involve consultation with representatives from HR and Finance prior to the engagement of the worker.

The Council has a contracted neutral vendor who facilitates the engagement of agency workers through various employment agencies. The Council intranet states, the use of the contracted neutral vendor allows for best value for money in obtaining agency staff (temporary staff, interims or consultants) and all agency staff must be procured using the contracted neutral vendor.

However, Internal Audit found that only two out of nine agency staff sampled had been sourced using the neutral vendor framework. Service area managers informed Internal Audit that this method had not been used due to it not having suitable workers for the required need.

Internal Audit sample tested across all engagement of potential IR35 workers to ensure that the process as required by the Council's guidance had been followed. The sample consisted of:

- Nine agency workers (two engaged from the Council's contracted neutral vendor framework and seven from other employment agencies);
- Three consultants engaged directly through their respective companies; and
- Two individuals engaged directly by the Council.

Internal Audit testing found:

- The appropriate process had been completed before the engagement of a worker in 11 out of 14 cases (78.57%).
In 10 out of the 11 cases an appropriate payment method was being used to pay the worker fully mitigating any risk associated with IR35. However, in one case, an inappropriate method of payment was being used that was not in accordance to the result of the HMRC IR35 check.

Both HR and Payroll are aware of this case and are working on establishing an appropriate method of payment;

- There was no evidence that the HMRC IR35 check had been completed to confirm the employment status of two out of 14 workers. In both cases, Internal Audit was unable to confirm that the payment method was correct and therefore the Council still maintains the risk of any unpaid tax and National Insurance Contributions. Internal Audit has notified HR of both cases; and
- In one case the HMRC IR35 check was completed after the worker had been paid. However, the results of the check confirmed that the payment method was appropriate for the worker.

From April 2020, the requirements in relation to IR35 for Public Authorities are due to change, extending the responsibilities of the Council. From this date the Council will be required to:

- Decide the employment status of a worker for every contract with an agency or worker;
- Pass the determination and the reasons for the determination to the worker and the person or organisation that is being contracted with. This is required whether the determination shows that the off payroll working rules will apply or not;
- Maintain detailed records of employment status determinations, including the reasons for the determination and fees paid; and
- Have processes in place to deal with any disagreements that arise from determinations.

Management has been made aware of the changes and the increased responsibilities of the Council.

Conclusion

Due to the current decentralised nature of engaging potential workers, service area managers are required to complete the IR35 checks and requirements.

The review has highlighted that, in some cases, the Council has not always fulfilled

its requirements under the IR35 legislation to fully mitigate the liability of unpaid tax and National Insurance Contributions.

Internal Audit have provided three recommendations to further strengthen the control environment concerning:

- Completing HMRC IR35 checks and procedures for the existing workers who have not had a check completed;
- Establishing a centralised process to ensure that the requirements of the off-payroll working rules are followed and the associated risk is mitigated; and
- Ensuring that processes, in line with the new off-payroll working requirements for Public Authorities, are in place by April 2020.

Management Actions

Management have responded positively to the audit findings.

Summary of Special Investigations/Counter Fraud Activities

Current Status

As at 20th December 2019 there have been four fraud/irregularity referrals received by Audit Risk Assurance (ARA) for investigation. Three of the cases are still ongoing and the outcomes will be reported to the Audit and Governance Committee once the investigations are complete.

The closed case involved cash handling irregularities. On completion of the Internal Audit investigation a disciplinary hearing was held and an individual has subsequently been dismissed.

The ARA Counter Fraud team currently comprises of 2.6 equivalent FTE's across all partners of which Gloucester City Council is one. The team is continuing to raise the profile of the service by actively engaging with Gloucester City staff. Posters, messages on the Council's intranet pages together with messages on social media platforms were used to promote International Fraud Awareness week (IFAW) 17th to 23rd November. In January 2020 the Counter Fraud team will be providing fraud awareness training sessions to Gloucester City Council managers. By raising the profile of the service it is expected that this will generate referrals from across the City Council.

The 2017-19 Anti Fraud Policy and Strategy (to become the Counter Fraud Policy and Strategy) together with the Fraud Risk Registers are have been reviewed and will be provided to the Audit and Governance Committee once completed. The 2016-19 CIPFA Fighting Fraud and Corruption Locally Strategy (the counter fraud and corruption strategy for local government) which is referred to in the policy and strategy has not yet been updated and ARA have been advised that this document is unlikely to be available before March 2020.

Any fraud alerts received by Internal Audit from National Anti-Fraud Network (NAFN) are passed onto the relevant service areas within the Council, to alert staff to the potential fraud.

National Fraud Initiative (NFI)

Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The 2018/19 data collections have been successfully uploaded to the Cabinet Office during October 2018 and the data matching reports were released on 31st January 2019 and the relevant staff at Gloucester City have been informed and any significant outcomes will be reported to the Committee. Examples of data sets include housing, insurance, payroll, creditors, council tax, electoral register and licences for market trader/operator, taxi drivers and personal licences to supply alcohol. Not all matches are investigated but where possible all recommended matches are reviewed by either Internal Audit or the appropriate service area.

Additional data (Recheck) in respect of Council Tax (CT) and Electoral Register (ER) data is due to be submitted by the Council submitted through the secure NFI web application, as soon as possible after 2 December 2019 and no later than 28 February 2020. The timetable can be found using the following link GOV.UK. Data uploaded after 28 February 2020 will be classed as officially late.

In addition to the information available on the NFI website, a report detailing the number of key matches, including the area within which they sit, together with the progress of actions undertaken to date to review the matches is being developed by ARA. This will be shared with the Monitoring Officer at regular intervals to provide an overview of progress and any key/significant outcomes to be easily identified.

ARA has been advised by the Policy and Resources Intelligent Client Officer that the Counter Fraud Unit (CFU) (procured via ARA) have been tasked with reviewing the NFI single person discount (SPD) matches. The majority of these matches are those between electoral register and those who receive a 25% discount from their Council Tax (CTAX) for being the single occupant of a property. The number of matches

was quite significant, speculatively this could be attributable to the fact that more people registered on the electoral in the lead up to the Brexit vote in 2017.

An initial overview of the matches was undertaken by the CFU and a number of 'legitimate' and exempted matches were identified and discounted. Letters then issued to all of the remaining people seeking clarification of their entitlement to the reduction in council tax by way of single person discount. A dedicated email address was created for this so people could respond by email if they chose to do so. This work has been transferred to the Revenues team to continue with the project and any bills will be amended as required. The NFI records have been updated accordingly and a summary of the findings will be provided to a future Audit and Governance Committee.

The Revenues team have completed the project to visit all homes in the city listed as unoccupied and the Council Tax records have been updated. This project also included those homes which are said to have been unoccupied for less than two years. This piece of work is still ongoing and the key outcomes/findings of the project will be reported to a future Audit and Governance Committee meeting once analysed.

Progress Report including Assurance Opinions

Department	Activity Name	Priority	Activity Status	Risk Opinion	Control Opinion	Reported to Audit and Governance Committee	Comments
Council Wide	General Data Protection Regulations (GDPR)	1	Final Report Issued	Substantial	Substantial	16/09/2019	Brought Forward from 2018/19 plan
Council Wide	Health and Safety Limited Assurance Follow Up	1	Planned				
Council Wide	Purchasing: Low and Intermediate Value Transactions Limited Assurance Follow Up	1	Planned				
Council Wide	IT Disaster Recovery and Business Continuity	1	Draft Report Issued				
Council Wide	Ongoing Cyber Resilience	1	Audit in Progress				
Council Wide	Key ICT Project Governance	1	Draft Report Issued				Brought Forward from 2018/19 plan
Council Wide	Complaints Procedures	2	Planned				
Council Wide	Travel and Other Expenses	1	Final Report Issued	Satisfactory	Limited	18/11/2019	
Council Wide	Use of Internet	1	Planned				
Council Wide	Honorariums and Temporary Promotions	1	Final Report Issued	Satisfactory	Satisfactory	16/09/2019	
Council Wide	Governance Review of Assurance Statements	1	Final Report Issued	Satisfactory	Satisfactory	20/01/2020	
Council Wide	Safeguarding	2	Planned				
Council Wide	Sickness Absence Procedure	2	Final Report Issued	Substantial	Satisfactory	18/11/2019	
Council Wide	Network Access Controls Limited Assurance Follow Up	1	Final Report Issued	Substantial	Satisfactory	20/01/2020	
Communities	Civil Penalties to tackle Unsatisfactory Housing Conditions within the Private Rented Housing Sector	2	Planned				
Communities	Licensing	2	Final Report Issued	Satisfactory	Satisfactory	20/01/2020	
Communities	Temporary Accommodation	2	Planned				Terms of Reference issued
Cultural and Trading	Markets Limited Assurance Follow Up	1	Final Report Issued	Satisfactory	Satisfactory	16/09/2019	
Cultural and Trading	Guildhall and Blackfriars Priory - Income received from events	2	Draft Report Issued				
Cultural and Trading	Shopmobility Fees and Charges	2	Final Report Issued	Satisfactory	Limited	16/09/2019	
Place	Planning - Processing and Performance	2	Planned				
Place	Building Control Shared Service	2	Final Report Issued	Limited	Limited	20/01/2020	
Policy and Resources	Civil Parking Enforcement	2	Final Report Issued	Satisfactory	Satisfactory	18/11/2019	Brought Forward from 2018/19 plan
Policy and Resources	Blackfriars Turnover Certificate	1	Final Report Issued	Not Applicable	Not Applicable	16/09/2019	
Policy and Resources	Budget Setting Monitoring and Reporting	2	Audit in Progress				
Policy and Resources	Freedom of Information (Fol) requests	2	Planned				Terms of Reference issued
Policy and Resources	Housing Benefits	2	Planned				
Policy and Resources	IR35 Off-payroll working through an intermediary	2	Final Report Issued	Satisfactory	Satisfactory	20/01/2020	
Policy and Resources	Property Investment Strategy	2	Planned				
Policy and Resources	Local Government Transparency Code - 2015	2	Final Report Issued	Satisfactory	Satisfactory	18/11/2019	
Policy and Resources	VAT	2	Planned				
Policy and Resources	Service Planning and Performance Reporting	2	Planned				
Policy and Resources	European Elections	1	Final Report Issued	Not Applicable	Not Applicable	18/11/2019	New Activity
Policy and Resources	Free Hospital Fund for Children	1	Final Report Issued	Not Applicable	Not Applicable	18/11/2019	Consultancy

This page is intentionally left blank



Meeting:	Audit and Governance Committee	Date:	20 January 2020
Subject:	Review of Appointments to and Representation on Outside Bodies		
Report Of:	Jonathan Lund, Corporate Director		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Jonathan Lund, Corporate Director		
	Email: jonathan.lund@gloucester.gov.uk	Tel:	396276
Appendices:			

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To report the findings of the work undertaken to review the effectiveness of the Council’s annual appointments to outside bodies and to make recommendations for next steps.

2.0 Recommendations

2.1 Audit Committee is asked to consider whether it wishes to :-

2.1.1 Consult with all of the City Council’s outside bodies with a view to:

- a) Retaining a formal appointing relationship where there is a clear and continuing partner or contracting relationship which is best served by making appointments to the organisation.
- b) Exploring alternatives to annual appointees where there is a governance or constitutional obligation which could be revised in a way which does not undermine the organisation concerned.
- c) Ending the practice of making annual appointments where practical and inviting the organisations instead to consider the direct appointment of City Councillors where they feel that such an appointment would be beneficial and would not create a conflict of interest.

2.1.2 The Committee may wish to consider whether the Council should also develop a protocol for appointees to outside bodies setting out the purpose of the appointments, the role and expectations on appointees, the Council’s expectations of host organisations and a mechanism to either enable or require appointees to provide a short structured annual report on the work of the organisation they have been appointed to and their work as an appointee.

3.0 Background and Key Issues

- 3.1 In July 2019 the Audit and Governance Committee began a review on the Council's appointments to outside bodies and the contribution of Councillors appointed to outside bodies.
- 3.2 It was noted that Gloucester City Council makes annual appointments to the managing boards, committees or trusts of 28 external organisations. 19 Councillors and 12 external appointees are appointed. A full list of appointments is considered and approved at the Council's Annual Meeting each May and the list for 2019/20 is attached to this report at appendix 1.
- 3.3 In broad terms the outside bodies fall into one of five types:

Partner Organisations – Bodies which the Council works with in a contractual or transactional relationship to deliver City Council objectives.

Collaborative Organisations – Bodies which have objectives or purposes compatible with or contributing to the objectives of the City Council.

Charities – Charitable organisations with governing documents which allow or require appointees from the local authority – often because of longstanding practice or statute.

Other Public Bodies or Joint Committees (Non-Executive) – boards, committees or groups set up by other public bodies with representation from Gloucester City Council

Other Public Bodies or Joint Committees (Executive) – boards, committees or groups set up by other public bodies with executive representation from Gloucester City Council.

The table below categorises each of Gloucester City's 28 Outside Bodies

Partner Organisations	
1	Aspire Sports and Cultural Trust
2	Gloucester Docks Estate Company Ltd
3	Citizens Advice Bureau
4	Gloucester City Homes Board
5	Gloucester Culture Trust
6	Gloucester Historic Buildings Ltd
7	Gloucester Law Centre Management Committee
8	Gloucestershire Airport Ltd
9	Gloucestershire Airport Consultative Committee
10	Marketing Gloucester Ltd
Collaborative Organisations	
11	Barton and Tredworth Development Ltd
12	Gloucester Playing Fields Association
13	Gloslink

14	Llanthony Secunda Trust
Charities	
15	Charity of John Ward
16	Free Hospital Fund for Children
17	Gloucester Charities Trust
18	Gloucester Relief of Sickness Fund
19	Gloucester United Schools Charity
20	St Ann Society of Gloucester
Non-Executive Public Bodies	
21	Environment and Ecology Forum
22	Gloucestershire Economic Growth O&S Committee
23	Gloucestershire health and Care O&S Committee
24	Lower Severn Drainage Board
Executive Public Bodies	
25	LGA General Assembly
26	National Parking Adjudication Service
27	South West Councils
28	South West Provincial Council

- 3.4 The Committee agreed to consider whether engagement with and participation in each of these organisations was:-
- 3.4.1 Worthwhile to the host organisation in terms of the time, input and outcomes achieved by having a City Council appointee(s)
 - 3.4.2 Worthwhile to the City Council in terms of the time, input and outcomes achieved through providing a City Council appointee(s)
 - 3.4.3 Achieving appropriate two-way dialogue so that the corporate objectives of the City Council are communicated clearly to the host organisation and the issues facing the host organisation are fed into the forward planning of the City Council.
 - 3.4.4 Providing appropriate mechanisms for communicating, highlighting and showcasing the City Council's engagement with the host organisations.
 - 3.4.5 Holding City Council appointees to account for their contribution to delivering 3.4.1 to 3.4.4 above.
- 3.5 The Committee also noted that the study might make some or all of the following recommendations:-
- 3.5.1 Withdrawing representation in appropriate cases
 - 3.5.2 Adding to the Outside Bodies if gaps become apparent
 - 3.5.2 Amending the support given to appointees where necessary or appropriate
 - 3.5.3 Introducing mechanisms to facilitate greater reporting back to Council
 - 3.5.4 Providing an Annual Report on the City Council's engagement with its Outside Bodies.
- 3.6 A Councillor Working Group consisting of Cllrs N Hampson, D Norman and D Wilson was appointed to agree the mechanics of the study and to interview a

number of outside bodies and appointees. A questionnaire was developed and sent to all appointees and all of the outside bodies. A number of outside bodies (Aspire Trust and Citizens Advice Bureau) were invited to the Audit and Governance Committee on 18 November 2019 as part of the review process and to facilitate direct discussion with the Committee.

3.7 In broad terms the findings were as follows:-

3.7.1 Worthwhile to the host organisation in terms of the time, input and outcomes achieved by having a City Council appointee(s)

The response was mixed. Some pointed to the historical or constitutional nature of the appointments rather than the tangible benefits, one reported that the post was vacant and had been for some time. One questioned whether as many as seven appointees were necessary. Others said that the representation was valuable because of the contribution made by the particular appointee or by virtue of their role in the Council or as a representative of the community.

3.7.2 Worthwhile to the City Council in terms of the time, input and outcomes achieved through providing a City Council appointee(s)

Benefits were cited in terms of providing access to training, helping keep councillors informed and enabling the Council to show commitment to the organisation or the services they provide. Others thought that the benefits to GCC were debatable or were a hangover from the past that had never been questioned or reviewed. Stronger benefits were cited in terms of the Council's oversight of its assets or the delivery of contracted services.

3.7.3 Achieving appropriate two-way dialogue so that the corporate objectives of the City Council are communicated clearly to the host organisation and the issues facing the host organisation are fed into the forward planning of the City Council.

Responses to this question were less emphatic. The commitment of the appointee or their role within the Council appeared to affect the effectiveness of two-way dialogue. Other respondents either didn't answer or pointed to other mechanisms such as the Overview and Scrutiny Committee and SLA or service contract meetings as the more effective way of having a dialogue with the City Council.

3.7.4 Providing appropriate mechanisms for communicating, highlighting and showcasing the City Council's engagement with the host organisations.

None of the respondents pointed to effective mechanisms except via other means, e.g. SLAs where they exist.

3.7.5 Holding City Council appointees to account for their contribution to delivering 3.4.1 to 3.4.4 above.

None of the respondents indicated that they were aware of mechanisms to hold appointees to account for their work as an appointee.

3.8 Conclusions

- 3.9 It is perhaps unsurprising that the responses and findings are mixed.
- 3.10 The Council appoints representatives to some outside bodies because that is the established custom and practice or because it is a longstanding historical or constitutional obligation. In these circumstances it would be worthwhile to seek to review and untangle these obligations in a way which does not undermine the organisations themselves.
- 3.11 Some appointments reflect past or current contractual or grant giving origins. A proportion of these are likely to remain valuable and relevant whilst others could be safely ended, with other arrangements (SLAs and contract management) providing more suitable ongoing relationships.
- 3.12 Some appointments may be worth maintaining because they emphasise or symbolise the Council's commitment to those organisations and/or the services they provide within the City.
- 3.13 The Committee may wish to instruct officers to consult with all of the City Council's outside bodies with a view to:
- a) Retaining a formal appointing relationship where there is a clear and continuing partner or contracting relationship which is best served by making appointments to the organisation.
 - b) Exploring alternatives to annual appointees where there is a governance or constitutional obligation which could be revised in a way which does not undermine the organisation concerned.
 - c) Ending the practice of making annual appointments where practical and inviting the organisations instead to consider the direct appointment of City Councillors where they feel that such an appointment would be beneficial and would not create a conflict of interest.
- 3.14 What appears to be more evidenced is that beyond making the appointment, the Council's expectations of appointees is not clear and the mechanisms for dialogue and reporting are weak.
- 3.15 The Committee may wish to consider whether the Council should also develop a protocol for appointees to outside bodies setting out the purpose of the appointments, the role and expectations on appointees, the Council's expectations of host organisations and a mechanism to either enable or require appointees to provide a short structured annual report on the work of the organisation they have been appointed to and their work as an appointee.

4.0 Social Value Considerations

- 4.1 The Council's engagement with 28 outside organisations demonstrates a high degree of commitment to working with partner organisations as harness the potential of the assets based in Gloucester and Gloucestershire. This report seeks to propose mechanisms to audit that engagement and make recommendations to strengthen and improve our approach to ABCD

5.0 Environmental Implications

5.1 Not applicable

6.0 Alternative Options Considered

6.1 Not applicable

7.0 Reasons for Recommendations

7.1 To enable to Committee to consider the findings of its study into Outside Bodies.

8.0 Future Work and Conclusions

8.1 Potentially as set out in paragraphs 3.13 and 3.15 above, but subject to the Committee's determination.

9.0 Financial Implications

9.1 None arising from the content of this report

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

10.1 None arising from the content of this report

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

11.1 There is a risk that Outside Bodies will not engage fully with and consultative review.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 Not applicable

14.0 Staffing & Trade Union Implications

14.1 Not applicable

Background Documents: None

**COUNCIL APPOINTMENTS TO OUTSIDE BODIES,
COMMUNITY BODIES AND FORA, ETC. FOR 2019-20
CONFIRMED AT ANNUAL COUNCIL ON 20 MAY 2019**

	Organisation	Representatives 2018/19	Representatives 2019/20	Term of Office	Meeting frequency
1.	Aspire Sports and Cultural Trust	1. Cllr. Hampson 2. Cllr. Toleman	1. Cllr. Hampson 2. Cllr. Toleman	1 year	Quarterly
2.	Barton and Tredworth Development Ltd	1. Vacant	1. Vacant	1 year	Monthly, usually Mondays 5.00pm
3.	Charity of John Ward	1. Cllr. Lugg 2. Mr B. Large 3. Mr T. Haines 4. Mr S. Ayland	1. Cllr. Lugg 2. Mr B. Large 3. Mr T. Haines 4. Mr S. Ayland	4 years	Quarterly
4.	Citizens' Advice Bureau	1. Cllr. Finnegan 2. Cllr. Hansdot	1. Cllr. Finnegan 2. Cllr. Hansdot	1 year	Bi-monthly, evenings AGM lunchtime in June
5.	Environment and Ecology Forum	1. Cllr. Bhaimia 2. Cllr. Brazil 3. Cllr. D.Brown 4. Cllr. Cook 5. Cllr. Taylor	1. Cllr. Bhaimia 2. Cllr. Brazil 3. Cllr. D. Brown 4. Cllr. Cook 5. Cllr. Taylor	1 year	3 times a year
6.	Free Hospital Fund for Children	1. Dr G. Cole 2. Mrs D Fenton 3. Mr R. Stanley 4. Ms H. Sutcliffe 5. Ms R. Woodliffe	1. Dr G. Cole 2. Mrs D Fenton 3. Mr R. Stanley 4. Ms H. Sutcliffe 5. Ms R. Woodliffe	4 years	Quarterly
7.	Gloucester Docks Estate Company Ltd	1. Cllr. Cook	1. Cllr. Cook	1 year	Quarterly
8.	Gloucestershire Playing Fields Association	1. Cllr. Noakes	1. Cllr. Morgan	1 year renewed each December	Quarterly
9.	Gloslinks	1. Cllr. Bhaimia 2. Cllr. Gravells 3. Cllr. Tracey	1. Cllr. Bhaimia 2. Cllr. Gravells 3. Cllr. Tracey	1 year	Annually and ad-hoc

	Organisation	Representatives 2018/19	Representatives 2019/20	Term of Office	Meeting frequency
10.	Gloucester Charities Trust	1. Cllr. Lugg 2. Cllr. Melvin 3. Cllr. Tracey 4. Mr S Ayland 5. Mr G Howell 6. Mr T Haines 7. Mr M White	1. Cllr. Lugg 2. Cllr. Melvin 3. Cllr. Tracey 4. Mr S Ayland 5. Mr G Howell 6. Mr T Haines 7. Mr M White	May 2022 May 2020 May 2020 May 2020 May 2021 May 2021 May 2020 (4 years)	Monthly, daytime
11.	Gloucester City Homes Board (3 year period)	1. Mr J Beeley 2. Mr D. Johnson	1. Mr J Beeley 2. Mr D. Johnson	May 2020 May 2020 (3 years)	Monthly, Weds
12.	Gloucester Culture Board	1. Cllr. Noakes	1. Cllr. Morgan	The Cabinet Member for Culture and Leisure or their appointed nominee	
13.	Gloucester Historic Buildings Limited	1. Cllr. Dee 2. Cllr. Hampson 3. Cllr. Toleman 4. Mr G. Heath	1. Cllr. Dee 2. Cllr. Hampson 3. Cllr. Toleman	1 year	Bi-monthly
14.	Gloucester Law Centre Management Committee	1. Cllr. Lugg 2. Cllr. Williams	1. Cllr. Lugg 2. Cllr. Williams	1 year	Monthly
15.	Gloucester Relief in Sickness Fund	1. Cllr. Bhaimia	1. Cllr. Bhaimia	4 years	Monthly usually second Monday of month
16.	Gloucester United Schools Charity	1. Cllr. Brooker	1. Cllr. Brooker	1 year	4 times a year
17.	Gloucestershire Airport Ltd - 1 Director	1. Cllr. Melvin	1. Cllr. Melvin	May 2019 (3 years)	Monthly
18.	Gloucestershire Airport Consultative Committee	1. Vacant	1. Vacant	Ongoing	Quarterly

	Organisation	Representatives 2018/19	Representatives 2019/20	Term of Office	Meeting frequency
19.	Gloucestershire Economic Growth Overview and Scrutiny Committee	1. Cllr. Patel Substitute 1. Cllr. Stephens	1. Cllr. Patel Substitute 1. Cllr. Stephens	Ongoing	Bi-monthly
20.	Gloucestershire Health and Care Overview and Scrutiny Committee	1. Cllr. Finnegan Substitute 1. Cllr. Hampson	1. Cllr. Finnegan Substitute 1. Cllr. Hampson	1 year	Bi-monthly
21.	Llanthony Secunda Priory Trust	1. Cllr. Tracey	1. Cllr. Tracey	1 year	Bi-monthly
22.	Local Government Association General Assembly	1. Cllr James	1. Cllr. James	1 year	Annually
23.	Lower Severn Drainage Board	1. Cllr. Morgan	1. Cllr. Toleman	1 year	Quarterly plus ad-hoc
24.	Marketing Gloucester Limited	1. Cllr. James	1. Cllr. Watkins	The Leader of the Council or their appointed nominee	Bi-monthly
25.	National Parking Adjudication Service	1. Cllr. James	1. Cllr. James	Executive Member with responsibility for parking	AGM
26.	South West Councils	1. Cllr. James	1. Cllr. James	The Leader of the Council or their appointed nominee	3 per year plus AGM
27.	South West Provincial Council	1. Cllr. James	1. Cllr. James	The Leader of the Council or their appointed nominee	Twice a year
28.	St Ann Society of Gloucester	1. Cllr. Tracey	1. Cllr. Tracey	1 year	Not known

This page is intentionally left blank



Meeting:	Audit and Governance Committee	Date: 20 th January 2020
	Council	Date: 30 th January 2020
Subject:	Appointment of an Independent Member to the Audit and Governance Committee and Changes to the Terms of Reference of the Audit and Governance Committee	
Report of:	Head of Audit Risk Assurance (ARA): Chief Internal Auditor	
Wards Affected:	Not applicable	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Theresa Mortimer - Head of Audit Risk Assurance (ARA)	
	Email: theresa.mortimer@gloucester.gov.uk	Tel: 01452 396430 or 01452 328883
	theresa.mortimer@gloucestershire.gov.uk	
Appendices:	<ol style="list-style-type: none"> 1. Attachment 1 (Appendix 2): Revised Terms of Reference 2. Appendix 1: Independent Member Job Advertisement 3. Appendix 2: Independent Member Recruitment Pack 4. Appendix 3: Independent Member Application Form 	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The purpose of this report is seek approval to the appointment of an Independent Member to the Audit and Governance Committee and to update the Committee’s Terms of Reference, which reflects the revised Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on the function and operation of audit committees; “Audit Committees in Local Authorities and Police, 2018 edition”.
- 1.2 The guidance represents CIPFA’s view of best practice for Audit Committees in local authorities throughout the UK and replaces the Position Statement of Audit Committees in Local Government issued in 2013

2.0 Recommendations

It is recommended that:

2.1 The Audit and Governance Committee **RECOMMENDS TO COUNCIL to APPROVE:**

- That an Independent Member is co-opted on to the Audit and Governance Committee on a non-voting basis;
- That the appointment of the Independent Member is delegated to the Audit and Governance Committee;
- That the process for selecting and recommending an appropriate candidate is delegated to the Head of Policy and Resources in consultation with the Chair of Audit and Governance Committee;
- The Chair of the Audit and Governance Committee shall not be a member of the political group or groups forming the administration; and
- The Audit and Governance Committee's Terms of Reference as set out in Attachment 1 (Appendix 2).

3.0 Background and Key Issues

3.1 Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management. The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place. The Council's audit committee should adopt a model that establishes the committee as independent and effective. The committee should:

- act as the principal, advisory function supporting those charged with governance;
- be independent of the decision making committees of the Council **and include an independent member where not already required to do so by legislation;**
- have clear rights of access to other committees/functions, for example, service committees, corporate risk management and other strategic groups; and
- be directly accountable to the authority's governing body.

3.2 The guidance to support those acting as audit committee members in local authorities has recently changed and currently recognises CIPFA's publication "Audit Committees: Practical Guidance for Local Authorities and Police (2018)" as representing "proper audit committee practices".

- 3.3 This guidance defines the way in which audit committees should be established and undertake its functions, including the functional reporting requirements to the governance group charged with providing independent assurance on the adequacy of the control environment, comprising risk management, control and governance.
- 3.4 Best practice dictates that governance, risk management and strong financial controls be embedded in the daily and regular business of an organisation. The existence of an audit committee does not remove responsibility from senior managers, members and leaders, but provides an opportunity and resource to focus on these issues. CIPFA considers that Audit Committees must also actively explore the appointment of at least one independent member to the Committee. This is in line with good practice to demonstrate good governance principles and independence from the executive and other political allegiances.
- 3.5 In a most recent report, as per CIPFA, ten out of eleven local authority committees had appointed at least one independent member to the committee. Section 102(3) of the Local Government Act 1972 allows a Council to include persons who are not members of the authority on a committee. Section 104 of the Act sets out disqualification from membership, which is the same as those for being elected or being a member of a local authority. These requirements have been included in the person specification.
- 3.6 Good practice shows that co-option of independent members is beneficial to the audit committee. It is a requirement for police audit committees, English combined authorities and for local authorities in Wales, and it is usual practice for non-executives to be committee members in health and central government audit committees. The injection of an external view can often bring a new approach to committee discussions. Authorities that have chosen to recruit independent members have done so for a number of reasons:
- to bring additional knowledge and expertise to the committee;
 - to reinforce the political neutrality and independence of the committee; and
 - to maintain continuity of committee membership where membership is affected by the electoral cycle.
- 3.7 While operating as a member of the audit committee, the independent member is required to follow the Council's Standing Orders and Code of Conduct for elected members. They should also register any interests should be maintained. It is usual for co-opted members not to have voting rights and this is the position being proposed here.
- 3.8 The primary considerations when considering audit committee membership should be maximising the committee's knowledge base and skills, being able to demonstrate objectivity and independence, and having a membership that will work together.
- 3.9 As part of the 2018/2019 annual review of the effectiveness of the Audit and Governance Committee and in line with the principles set out by CIPFA, it is proposed that the Committee appoint an independent member who is not a councillor, or an officer of the Council, to the Committee to contribute to this important role of promoting good governance and accountability.

4.0 Social Value Considerations

4.1 There are no 'Social Value' considerations arising out of the recommendations in this report.

5.0 Environmental Implications

5.1 There are no 'Environmental' implications arising out of the recommendations in this report.

6.0 Alternative Options Considered

6.1 The Committee could decide to recommend the appointment of an Independent Person to Council or not.

7.0 Reasons for Recommendations

7.1 To ensure the Audit and Governance Committee remains effective, independent and conforms with the new guidance.

8.0 Future Work and Conclusions

8.1 Annual review of the effectiveness of the Audit and Governance Committee, reporting the review outcomes to Council.

9.0 Financial Implications

9.1 The Independent Member will receive an allowance of £500 per year which can be accommodated within existing budgets.

(Financial Services have been consulted in the preparation this report).

10.0 Legal Implications

10.1 The Independent Member will not be able to vote on matters for decision by the Audit & Governance Committee as provided by section 13 of the Local Government and Housing Act 1989. It is to be noted, however, that because the Independent Member is a co-opted member of the Committee, the Councillor Code of Conduct applies will apply and so they should attend any relevant training that elected members attend.

(One Legal have been consulted in the preparation this report).

11.0 Risk & Opportunity Management Implications

11.1 Failure to deliver on effective governance may have a detrimental effect on the achievement of the potential opportunities and adverse effects that challenge the assets, reputation and objectives of the council, strategic decision making and the wellbeing of our stakeholders.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 There are no 'Community Safety' implications arising out of the recommendations in this report.

14.0 Staffing & Trade Union Implications

14.1 There are no 'Staffing and Trade Union' implications arising out of the recommendations in this report.

Background Documents:

- Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on the function and operation of audit committees; "Audit Committees in Local Authorities and Police, 2018 edition";
- Public Sector Internal Audit Standards (PSIAS) 2017; and
- CIPFA Local Government Application note on the PSIAS.

This page is intentionally left blank

Audit and Governance Committee	
To advise on the adequacy and effectiveness of the Council's corporate governance arrangements and internal control environment.	
Governance, Risk and Control	
1.	<p>Monitor the adequacy and effectiveness of the Council's governance arrangements including:</p> <ul style="list-style-type: none"> • Monitoring the effectiveness of the Chief Officer's responsibility for ensuring an adequate internal control environment; • Monitoring the arrangements for the identification, monitoring and control of strategic and operational risk within the Council; • Monitoring the adequacy and effectiveness of the arrangements in place for combating fraud and corruption; • Providing an annual report to Council that its systems of governance are operating effectively, which includes the Committee's performance in relation to their terms of reference; • Reviewing and approving the annual Statement of Accounts, Annual Governance Statement and its associated assurance framework; • Considering the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements; • Ensuring that the Chief Internal Auditor has the right of independent access to the Committee and its Chair; • Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice; • Considering and advising changes to the Council's Constitution in respect of Contract Standing Orders and Financial Regulations; • Formulating and keeping under review a Code of Conduct to promote high ethical standards amongst Officers and doing anything that is considered to promote and maintain high standards of conduct by Officers; • Formulating and keeping under review the Council's 'whistle-blowing' policy; and • Formulating and keeping under review the Council's arrangements for handling complaints and investigations by the Local Government Ombudsman.
Ethics and Behaviours	
2.	<p>To promote, maintain and assist the achievement of high standards of conduct by Councillors and co-opted members in accordance with the Council's Code of Conduct for Members.</p> <ul style="list-style-type: none"> • To monitor the operation of the Code of Conduct for Members; • To advise the Council on any amendment or revision of the Code; • To secure adequate and appropriate training of Councillors and co-opted Members on the Code of Conduct for Members; • To give general guidance and advice to Councillors on Members' interests and keep under review the Register of Members' Interests

	<p>maintained by the Monitoring Officer; and</p> <ul style="list-style-type: none"> To give general guidance and advice to Councillors and employees on gifts and hospitality.
External Audit	
3.	<p>Monitor the adequacy and effectiveness of the Council's external audit service and respond to its findings. Specifically:</p> <ul style="list-style-type: none"> Considering the appointment, nature and scope of the external audit of the Council's services and functions; Receiving and considering all external audit reports including the annual plan, annual audit letter and governance report; and Monitoring management's response to the external auditor's findings and the implementation of external audit recommendations.
Internal Audit	
4.	<p>Monitor the adequacy and effectiveness of the Internal Audit service. Specifically:</p> <ul style="list-style-type: none"> Approving the internal audit charter; Approving the annual risk based internal audit plan; Receiving communications from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters, including the annual report and opinion; Receiving and considering major Internal Audit findings and recommendations; Monitoring management's response to Internal Audit findings and the implementation of the recommendations; Making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope and resource limitations; Agreeing the scope and form of the external assessment as part of the quality assurance and improvement programme; Receiving the results of internal and external assessments of the quality assurance and improvement programme, including areas of non-conformance with professional standards; and Approving significant consulting services not already included in the audit plan, prior to acceptance of the engagement, if this materially impacts on core assurance activity.
Constitution	
5.	<p>To grant dispensations to Councillors and co-opted Members related to interests specified in the Code of Conduct for Members following written requests to the proper officer (Chief Executive) by a Member or Co-opted Member under section 33 of the Localism Act 2011, when the Council:</p> <ul style="list-style-type: none"> Considers that granting the dispensation is in the interests of persons living in the authority's area;

	<ul style="list-style-type: none"> • Considers that it is otherwise appropriate to grant a dispensation; and • Considers appeals against decisions made by the Monitoring Officer in exercise of their dispensation powers.
Hearings Panel	
6.	<p>To establish a Hearings Panel to make recommendations to Council on the appointment of an Independent Person to hear allegations that Members have failed to comply with the Member’s Code of Conduct. Specifically to:</p> <ul style="list-style-type: none"> • Assess and review allegations of Member misconduct; and • Determine allegations of Member misconduct.
Powers	
7.	<ul style="list-style-type: none"> • The Committee has the right to require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration; • To review any issues referred to it by the Head of Paid Service, a Corporate Director or any Council body; and • The power to call expert witnesses from outside the Council to give advice on matters under review or discussion.

Audit and Governance Committee

Statement of Purpose

The Audit and Governance Committee is a key component of the Council’s corporate governance structure ensuring compliance and maintenance of high ethical standards. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Committee is to provide independent assurance to Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of the Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Chair of the Audit and Governance Committee shall not be a member of the political group or groups forming the administration.

Membership of the Committee shall include an independent co-opted Member who shall not be either a councillor or an officer of the Council.

Governance, Risk and Control

1.	<ul style="list-style-type: none"> • To review the Council’s corporate governance arrangements against the good governance framework, including the ethical framework and consider the local Code of Corporate Governance. • To review and approve the Annual Governance Statement (AGS) and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit’s opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. • To consider the Council’s arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements. • To consider the council’s framework of assurance i.e. the Three Lines of Defence model. • Undertaking regular review and monitoring of the Council’s treasury management policies and practices. • To monitor the effective development and operation of risk management in the Council and to monitor progress in addressing risk-related issues reported to the Committee. • To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions. • To review the governance and assurance arrangements for significant partnerships or collaborations. • To review the assessment of fraud risks and potential harm to the Council from fraud and corruption. • To monitor the counter-fraud strategy, actions and resources.
----	---

	<ul style="list-style-type: none"> • Keeping under review a Code of Conduct to promote high ethical standards amongst Officers and doing anything that is calculated to promote and maintain high standards of conduct by Officers. • Keeping under review the Council's 'whistle-blowing' policy. • Considering and advising changes to the Council's Constitution in respect of Contract Standing Orders and Financial Regulations; • Keeping under review the Council's arrangements for handling complaints and investigations by the Local Government Ombudsman.
External Audit	
2.	<ul style="list-style-type: none"> • To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA) or the authority's auditor panel as appropriate. • To consider the external auditor's annual letter, relevant reports and the report to those charged with governance. • To monitor management's response to the External Auditor's findings and the implementation of External Audit recommendations. • To commission work from internal and external audit and to advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
Internal Audit	
3.	<ul style="list-style-type: none"> • To approve the Internal Audit Charter and Code of Ethics. • To review proposals made in relation to the appointment of external providers of internal audit services. • To review and approve the risk-based internal audit plan. • To approve significant interim changes to the risk-based internal audit plan and resource requirements, including significant consulting services not already included in the audit plan, prior to acceptance of the engagement, if this materially impacts on core assurance activity. • To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations. • To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments. • To contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

	<ul style="list-style-type: none"> • To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services. • To consider the Head of Internal Audit's annual report and the opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion, this will support the AGS. • To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions. • To provide free and unfettered access to the Audit and Governance Committee chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee.
Financial Reporting	
4.	<ul style="list-style-type: none"> • To review and approve the annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council. • To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
Constitution / Ethical Conduct and Behaviours	
5.	<p>To promote, maintain and assist the achievement of high standards of conduct by Councillors and co-opted members in accordance with the Council's Code of Conduct for Members.</p> <ul style="list-style-type: none"> • To monitor the operation of the Code of Conduct for Members; • To advise the Council on any amendment or revision of the Code; • To secure adequate and appropriate training of Councillors and co-opted Members on the Code of Conduct for Members; • To give general guidance and advice to Councillors on Members' interests and keep under review the Register of Members' Interests maintained by the Monitoring Officer; and • To give general guidance and advice to Councillors and employees on gifts and hospitality. <p>To grant dispensations to Councillors and co-opted Members related to interests specified in the Code of Conduct for Members following written requests to the proper officer (Managing Director) by a Member or Co-opted Member under section 33 of the Localism Act 2011, when the Council:</p> <ul style="list-style-type: none"> • Considers that granting the dispensation is in the interests of persons living in the authority's area; • Considers that it is otherwise appropriate to grant a dispensation; and

	<ul style="list-style-type: none"> • Considers appeals against decisions made by the Monitoring Officer in exercise of their dispensation powers.
Hearings Panel	
6.	<p>To establish a Hearings Panel to make recommendations to Council on the appointment of an Independent Person to hear allegations that Members have failed to comply with the Member's Code of Conduct. Specifically to:</p> <ul style="list-style-type: none"> • Assess and review allegations of Member misconduct; and • Determine allegations of Member misconduct.
Accountability Arrangements and Powers	
7.	<ul style="list-style-type: none"> • To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions. • To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose. • To publish an annual report on the work of the Committee. • The Committee has the right to require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration. In addition, the Committee has clear rights of access to other committees/functions, for example, scrutiny and service committees, risk management group and other strategic groups. • To review any issues referred to it by the Head of Paid Service, a Corporate Director or any Council body. • The power to call expert witnesses from outside the Council to give advice on matters under review or discussion. • To attend training sessions relevant to the Committee's role.

This page is intentionally left blank

Challenging how things are done!

Could you make a difference to the way Gloucester City Council is run?

If so, we want to hear from you.

The Council is looking for an independent member to join its Audit and Governance Committee - a vital “watchdog” body promoting good governance and accountability.

The role of the Audit and Governance Committee is to oversee the Council’s corporate governance arrangements which include the way the Council manages its financial affairs and risk, financial reporting and internal and external audit processes.

The Audit and Governance Committee currently comprises eight Councillors, however we would like to further enhance our membership by appointing an independent member. The independent person will not be elected, and will be appointed by the Council. The Audit and Governance Committee is currently scheduled to meet 5 times a year to deal with set items of business, however, this is subject to annual review, as well as any additional meetings scheduled as required.

The role is eligible for an annual allowance of £500. It is for a fixed term of 3 years.

To be considered for this position, you must be experienced in matters of an audit nature. You will also be skilled in risk management, performance management and financial governance, preferably within a large or public sector organisation. You will be able to demonstrate probity and the highest level of integrity in your conduct.

You will be asked to undertake some training for the role, and may also be invited to attend other events related to the work of the Audit and Governance Committee.

The work will be challenging and innovative but provides a real opportunity for you to make an active contribution to how the Council is run by providing assurance over its governance, risk and internal control environment.

The successful applicant should be inquiring and independently-minded and able to assist the work of the Audit and Governance Committee by personal knowledge and experience relating to the financial and operational management and internal control of large organisations. The person specification for the role provides more details of what skills and experience the successful candidate might be expected to have.

The independent Member is co-opted to the Audit and Governance Committee on a non voting basis.

Applications cannot be considered from anyone:

- who has been a councillor or employee of the Council at any time during the last 5 years;
- with a relative or close friend who is currently an employee or councillor; or
- where any potential conflict of interest would arise.

If you feel you have the experience and personal qualities to undertake this role, an application form and information pack can be requested by email on xxxxxxx. If you would like to discuss the role further, please contact [xxxxxxx](tel:xxxxxxx)

Advertisement for Appointment of Independent Member of Audit and Governance Committee

Assessment will be from the application form, followed by interviews. The final appointment will be made by xxxxxxxx

Closing Date: xxxxx

Interviews will be held the week commencing xxxxxx.

The first Audit and Governance Committee meeting after appointment will be on xxxxxx



Recruitment Pack Independent Member of the Audit and Governance Committee

Would you like to do something worthwhile for Gloucester?

Do you feel you have the time and the skills to make a positive contribution to Gloucester City Council's Audit and Governance Committee?

Do you think you could bring an independent perspective to analyse the Council's arrangements for:-

- managing risk
- maintaining an effective control environment
- reporting on financial and other performance matters?

We are looking to appoint an independent member to the Audit and Governance Committee, ideally someone with financial/auditing experience, or practical experience of managing risk.

If this opportunity interests you, but you would like to discuss it further without committing yourself, please contact ☎ xxxxx or 💻 xxxxx

Alternatively, you can request an information pack and application form by email on xxxxxx

Closing date for applications is: xxxx

Interviews to be held on:- week commencing xxxx

What are Gloucester City Council's challenges and opportunities?

<https://Gloucester City Council plan 2017 - 2020>

Over the life of the last Council Plan we have made significant progress and our achievements, have been made alongside challenging financial savings of over £3m. With a further £3m of efficiency savings required over the next three years it is more important than ever that we focus our resources on the key priorities that reflect the concerns and aspirations of our residents. We know that we cannot achieve our ambitions for the city without the support of our partners.

A continuing theme is our focus on regeneration, housing and cultural provision as key drivers for improving outcomes for our residents. Linked to this is our desire to make Gloucester a place where residents and visitors feel safe and the physical environment of the city is something that we can all be proud of. We want to enable our diverse communities to thrive, recognising and using their strengths. We are committed to ensuring that our key services meet the evolving needs of our residents, both in terms of access and delivery.

Our core values:-

Efficiency and value for money – we will strive to provide great services that are affordable for all.

Forward thinking with innovation – we will adopt an entrepreneurial approach to find new and better ways to do things.

Making residents lives better – we will support our communities to use their own strengths and assets while providing universal services and supporting our most vulnerable residents.

Passionate about the City – our enthusiasm for, and pride in, Gloucester will be at the heart of everything we do.

Working together to make it happen – we will build strong and trusted relationships with communities and partner organisations to achieve the best outcomes for our residents.

Role Purpose and Description

Background Information

The aim of the independent member is to bring a fresh and objective viewpoint to the work of the Audit and Governance Committee and support them to carry out their work.

The Audit and Governance Committee comprises eight Non-Executive Councillors. The role of the Audit and Governance Committee has evolved and they are central to the governance, internal control, compliance and risk aspects of the operation of a local authority. Having an independent voice with the appropriate background knowledge and skills is advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their Audit Committee Guidance.

The work of the Audit and Governance Committee includes:-

- Annual Governance Statement
- Audit Committee Annual Report
- Statement of Accounts

Further details of the Committee's responsibilities are in the Audit and Governance Committee Terms of Reference Appendix 1. These form part of Gloucester City Council's Constitution.

Members of the Audit and Governance Committee receive training and are expected to keep up to date.

The independent member will be appointed through a process of public advertisement, application, interview and appointment.

The independent Member is co-opted to the Audit and Governance Committee on a non voting basis.

An annual allowance plus reasonable travel expenses is payable, currently £500 per year will be payable. It is for a fixed term of 3 years.

The Council has a commitment to equal opportunities and welcomes applicants from all sections of the community. Also we operate a no smoking policy.

The independent member, through their participation in the Audit and Governance Committee, will assist the City Council to discharge their powers and functions as set out in the Audit and Governance Committee Terms of Reference.

- To apply strategic thinking and materiality to reports presented and be able to review at an appropriate level.
- To ask questions that draw out relevant facts and explanations.
- To provide challenge.
- To seek understanding and enable solutions.
- To evaluate information on the basis of evidence presented without political bias.
- To weigh up differing views and be able to come to an evidence based conclusion.
- To ask difficult questions to get to the facts while maintaining positive relationships.

Members or officers of Gloucester City Council or anyone who has or is a relative or close friend of a member or officer of the Council is not eligible. More detail can be found in Appendix 2 – Disqualifications for Appointment.

Person Specification

Requirements	Where identified*	Essential	Desirable
A broad range of experience, preferably in public, private, voluntary and charitable sector employment or service including self-employed, employed and voluntary positions.	A	✓	
Understanding of the wider local government environment and accountability structures.	A		✓
Strategic/financial management responsibilities.	A		✓
Qualification in accountancy, finance, risk management, business management or internal audit.	A		✓
Good understanding of corporate governance and risk management and the key elements of audit, best value and external scrutiny. The ability to formulate and evaluate solutions to the issues identified.	A		✓
Good understanding of the roles of internal and external audit.	I		✓
Ability to understand complex issues and make objective, evidence-based decisions.	I	✓	
Strong interpersonal and communication skills.	I	✓	
Willingness to participate in meetings and ask searching questions in order to challenge and hold to account Council Officers and the representatives of internal and external audit.	I	✓	
Attend and prepare for each meeting of the Audit and Governance Committee.	I	✓	
Ability/willingness to attend any relevant training or development activities associated with the role.	I	✓	
Independence of mind, objectivity and impartiality.	I	✓	

* A is application form

I is interview

A. The Relevant Authorities (Standards Committee) Regulations 2001.

- (i) if a person has within the period of five years immediately preceding the date of the appointment been a member or officer of Gloucester City Council
- (ii) if a person is a serving member or officer of any other Relevant Authority; and
- (iii) if a person is a relative or close friend of a member or officer of Gloucester City Council

relative” - means a spouse, partner, parent, parent-in-law, son, daughter, step-son, step-daughter, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons.

partner” - means a member of a couple who live together.

relevant authority” - includes a county council, a unitary council, a district council, a parish council.

B. Summary of Sections 80 and 81 of the Local Government Act 1972.

- (i) A person shall be disqualified from being appointed if he/she: -
 - (a) holds any paid office or employment with the Authority;
 - (b) is a person who has been adjudged bankrupt or made a composition or arrangement with his/her creditors;
 - (c) has, within five years before the day of his/her appointment, been convicted of any offence and had passed upon him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine;
 - (d) has been convicted of a corrupt or illegal practice under Part III of the Representation of the People Act 1983;
 - (e) is disqualified for membership for a specified period by Order of the Court because of his/her involvement in expenditure contrary to law; and
 - (f) is disqualified from membership for five years following an Auditor’s certificate that a loss or deficiency has been caused by his/her wilful misconduct while a member of a local authority.



- ii) The disqualification attaching to a person by reason of having been adjudged bankrupt ceases: -
 - (a) on his/her discharge from bankruptcy unless the bankruptcy order made against the person is previously annulled; and
 - (b) if the bankruptcy order is so annulled, on the date of the annulment.
- (iii) The disqualification attaching to a person by reason of his/her having made a composition or arrangement with his/her creditors ceases: -
 - (a) on the date on which payment is completed if he/she pays the debts in full; or
 - (b) in any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.

This page is intentionally left blank

Gloucester City Council Audit and Governance Committee Independent Member Application Form



Individuals who wish to be considered for the appointment as a member of the Audit and Governance Committee are requested to provide the following information to support their application. All information provided will be treated in the strictest confidence and will only be used for the purposes of selecting an Audit and Governance Committee Independent Member.

Please complete this form in BLACK INK. Please feel free to use a separate continuation page if you wish to expand upon your answer to any question below.

Name	
Address	
Contact Details	 Daytime Telephone Number:  Email Address:
Your Qualifications	Please list any qualifications which you think are relevant to membership of the Audit and Governance Committee.

<p>Summary of Experience</p>	<p>Please give a brief account of your experience including career, public and voluntary work together with the nature of your current occupation.</p>
<p>Relevant Expertise / Skills</p>	<p>Please briefly state any knowledge or expertise which you believe would be particularly relevant to your role as a committee member.</p>

<p>Attributes</p>	<p>Why do you wish to be considered for membership of the Audit and Governance Committee and what particular attributes do you believe you would bring to the work of the Committee?</p>
<p>Political Activity</p>	<p>The information in this section will be used to help assess your experience and skills as well as for monitoring purposes. If you were selected, this information may be included in public announcements of your appointment.</p> <p>Please tick those activities if any, which you have undertaken within the past five years.</p> <p><input type="checkbox"/> Candidate for public political office (e.g. Councillor, MP, MEP)</p> <p><input type="checkbox"/> Held office in political party (e.g. Branch Chairman, Secretary or Treasurer)</p> <p><input type="checkbox"/> Other political involvement</p> <p>If you have ticked any of the above, please give details here: Name of political party (if any) with which are associated:</p>
<p>Issues involving the City Council</p>	<p>Please state if you are currently, or within the last five years, have been in dispute with the City Council.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please give details.</p>

<p>Request for References</p>	<p>Please provide the names, addresses and contact telephone numbers of two persons whom we could approach for reference purposes:-</p>
<p>Your Name</p>	
<p>Referee 1</p>	<p>Name:</p> <p>Address:</p> <p></p>
<p>Referee 2</p>	<p>Name:</p> <p>Address:</p> <p></p>

Gloucester City Council

Meeting:	Audit and Governance Committee Council	Date:	20 January 2020 30 January 2020
Subject:	Councillor and Employee Codes of Conduct and related Protocol on Councillor/Employee Relations		
Report Of:	Monitoring Officer		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Jonathan Lund, Monitoring Officer		
	Email: jonathan.lund@gloucester.gov.uk	Tel:	396276
Appendices:			

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 This report presents revised copies of the Councillor Code of Conduct, Employee Code of Conduct and Protocol on Councillor/Employee Relations. The revisions respond to recommendations made following an audit report on the effectiveness of the employee code of conduct.

2.0 Recommendations

- 2.1 Audit Committee is asked to consider the information contained in the report and make **RECOMMENDATIONS** to Council on the proposed changes to the Constitution.

3.0 Background and Key Issues

- 3.1 Following a routine audit of the operation of the Council's Code of Conduct for Officers five recommendations were made:

- a) That the Code be reviewed and revised, and officers provided with training on the content and requirements of the code
- b) That the review be accompanied by a review of related policies and codes
- c) That amendments are made to the way that new recruits are made aware of the Code
- d) That the revised code(s) be made easily accessible to all staff
- e) That arrangements are made to ensure that reporting mechanisms are in place to enable staff to comply with the revised code(s)

- 3.2 This report seeks to propose a number of changes to the Employee Code of Conduct and the opportunity has also been taken to review the Councillor Code of

Conduct and the Protocol on Councillor/Employee Relations to address the first two recommendations.

3.2.1 Appendix 1 to this Report sets out the proposed, revised Councillor Code of Conduct and the existing Code.

3.2.2 Appendix 2 to this report sets out the proposed, revised Employee Code of Conduct and the existing Code

3.2.3 Appendix 3 to this Report sets out the proposed, revised Protocol on Councillor/Employee relations and the existing Protocol.

3.2.4 Appendix 5 – Revised Flow Chart for Budget Debates

3.3 The Councillor Code of Conduct has been simplified and shortened and amended to require a Councillor with an interest to leave the meeting when matters affecting that interest are under discussion.

3.5 The revised employee code of conduct seeks to address the recommendations made following the Internal Audit Report.

3.6 As a consequence of the two revisions above an opportunity has been taken to revisit and revise the Protocol on Councillor/Employee Relations.

4.0 Social Value Considerations

4.1 Not applicable

5.0 Environmental Implications

5.1 Not applicable

6.0 Alternative Options Considered

6.1 Not applicable

7.0 Reasons for Recommendations

7.1 To comply with recommendations arising from an internal audit report.

8.0 Future Work and Conclusions

8.1 If the proposed revisions are accepted then training/briefing sessions will be organised for employees and the new Codes will form part of the induction and training for Councillors following the May 2020 Elections.

8.2 The Codes are now available to all staff and councillors via the Website and the Intranet.

8.3 Mechanisms to enable compliance with the reporting obligations are in place and will be amended to reflect any changes to the codes.

9.0 Financial Implications

9.1 None arising from the content of this report

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

10.1 None arising from the content of this report

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

11.1 Not applicable

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

13.0 Community Safety Implications

13.1 Not applicable

14.0 Staffing & Trade Union Implications

14.1 Not applicable

Background Documents: None

This page is intentionally left blank

GLOUCESTER CITY COUNCIL

The Code of Conduct for Members and Co-Opted Members

together with

The Rules for Registration of Interests and Conflicts of Interest

*Approved and adopted by the Council on
19th July 2012*

Part 5 - Codes and Protocols

Contents

	Page
<u>Part 1</u>	
The Code of Conduct for Members of Gloucester City Council	8
1. Purpose of the Code	10
2. Scope of the Code	10
3. Public Duties of Members	10
4. General Principles of Conduct	11
5. Expectations of Conduct	11
6. Rules of Conduct	12
7. Registration and Declaration of Interests	13
8. Duties in respect of the Audit and Governance Committee and the Monitoring Officer	14
<u>Part 2</u>	
Registration, Disclosure and Duties on Interests held by Members	
9. Registration of Interests	15
9.4 Disclosable Pecuniary Interests	15
9.5 Other Interests	15
9.9 Gifts and Hospitality	16
10. Duties in Respect of Interests	16
10.1 Declaration of Interests not in the Register	16
10.3 Disclosable Pecuniary Interests	16
10.7 General	17
Schedule of Disclosable Pecuniary Interests	18

Part 5 - Codes and Protocols

The Code of Conduct for Members of Gloucester City Council

Prepared pursuant to Chapter 7 of the Localism Act 2011

Part 1

1. Purpose of the Code

1.01 The purpose of this Code of Conduct is to assist Members (including co-opted Members) in the discharge of their obligations to the Council, their local communities and the public at large by:

- a) setting out the standards of conduct that are expected of Members and co-opted Members of the Council when they are acting in that capacity, and in so doing.
- b) providing the openness and accountability necessary to reinforce public confidence in the way in which Members perform those activities.

2. Scope of the Code

2.01 The Code applies to Members in all aspects of their activities as a Member, including when acting on Council business, ward/division business or when otherwise purporting to act as a Member and when attending informal meetings with other Members and/or officers relating to the discharge of the Council's functions. It does not seek to regulate what Members do in their purely private and personal lives.

2.02 The obligations set out in this Code are complementary to those which apply to all Members by virtue of the procedural and other rules of the Council and the rulings of the Chair.

2.03 The obligations set out in this Code are also complementary to, and include, those obligations which apply to Members falling within the scope of related Codes and Protocols of the Council, specifically:

- the Protocol on Member and Officer Relations;
- the Planning and Development Code of Practice; and
- the Probity in Licensing and Enforcement Code of Practice.

3. Public Duties of Members

3.01 Members have a duty to uphold and comply with the law, including the general law against discrimination and the requirements of the Localism Act 2011, and to act on all occasions in accordance with the public trust placed in them.

3.02 Members have an overriding duty to act in the interests of the City as a whole, but also have a special duty to represent the views of the residents and communities of their ward.

4. General Principles of Conduct

Part 5 - Codes and Protocols

4.01 In carrying out their duties in exercising the functions of their Council or otherwise acting as a Councillor, Members will be expected to observe the following general principles of conduct identified by the Committee on Standards in Public Life in its First Report as applying to holders of public office. These principles will be taken **into** consideration when any allegation is received of breaches of the provisions of the Code.

a) *“Selflessness*

Holders of public office should act solely in terms of the public interest.

b) *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.

c) *Objectivity*

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

d) *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.

e) *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.

f) *Honesty*

Holders of public office should be truthful.

g) *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.

5. Expectations of Conduct

5.01 Members shall base their conduct on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest.

5.02 Members shall at all times ensure that their use of expenses, allowances, facilities and services provided from the public purse is strictly in accordance with the rules laid down on these matters, and that they observe any limits placed by the Council on the use of such expenses, allowances, facilities and services.

5.03 Members shall at all times conduct themselves in a manner which will tend to maintain and strengthen the public's trust and confidence in the integrity of the Council and never undertake any action which would bring the Council, or its Members or officers generally, into disrepute.

Part 5 - Codes and Protocols

6. Rules of Conduct

6.01 Members shall in particular observe the following rules when acting as a Member or co-opted Member of the Council:

- a) **Do** provide leadership to the authority and communities within the Council's area, by personal example.
- b) **Do** treat others with respect and **Do not** bully any person.
- c) **Do** be aware of the requirements of the Bribery Act 2010 and that offences under the Act include the situation where a Member requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, any function of a public nature, any activity connected with the Council or any activity to be performed by or on behalf of the Council or others should be performed improperly.
- d) **Do not** do anything which may cause your Council to breach any of the equality enactments (as defined in the Equality Act 2010), data protection legislation or any other legislation.
- e) **Do not** conduct yourself in a manner which is likely to bring the Council into disrepute.
- f) **Do not** do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your Council.
- g) **Do not** disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where—
 - (i) you have the consent of a person authorised to give it;
 - (ii) you are required by law to do so;
 - (iii) the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - (iv) the disclosure is -
 - (a) reasonable and in the public interest; and
 - (b) made in good faith and in compliance with the reasonable requirements of the Council.
- h) **Do not** prevent another person from gaining access to information to which that person is entitled by law.
- i) **Do not** provide or offer to provide a reference for any candidate for appointment or promotion as an officer of the Council.

Part 5 - Codes and Protocols

- 6.02** Members shall observe the following rules when using the resources of the Council, or resources the use of which is controlled or influenced by the Council or authorising the use of those resources by others or:
- a) **Do** act in accordance with the Council's reasonable requirements including the requirements of the Council's IT, the Protocol on Member and Officer Relations, the Planning and Development Code of Practice and the Probity in Licensing and Enforcement Code of Practice, which you are deemed to have read;
 - b) **Do** make sure that such resources are not used improperly for political purposes (including party political purposes); and
 - c) **Do** have regard to any applicable Local Council Code of Publicity made under the Local Government Act 1986.
 - d) **Do not** improperly use knowledge gained solely as a result of your role as a member for the advancement of your own interests.
- 6.03** Members shall observe the following rules when making decisions on behalf of or as part of the Council:
- a) **Do** have regard to any relevant advice provided to you by the Council's Chief Financial Officer and Monitoring Officer where such advice is offered pursuant to his or her statutory duties.
 - b) **Do** give reasons for the decisions in accordance with any statutory requirements, on the basis of the merits of the circumstances, in the public interests and in accordance with any reasonable additional requirements imposed by the Council.
 - c) **Do** consult the Council's Chief Legal Officer whenever there is any doubt as to the Council's powers to act, or as to whether the action proposed lies within the policy framework agreed by the Council, or where the legal consequences of action or failure to act by the Council might have important repercussions.

7. Registration and Declaration of Interests

- 7.01** Members shall fulfil conscientiously the requirements of the Council in respect of the registration of interests in the Register of Members' Interests and, where it is required or appropriate to do so, shall always draw attention to any relevant interest in any proceeding of the Council or its Committees, or in any communications with the Council, its Members or officers as required in this Code of Conduct.

8. Duties in respect of the Council's Audit and Governance Committee and the Monitoring Officer

- 8.01** The application and guidance on the application of this Code shall be a matter for the Council and for the Council's Audit and Governance Committee and, as appropriate, the Monitoring Officer, acting in accordance with their terms of reference.
- 8.02** Members shall co-operate, at all stages, with any investigation into their conduct by or under the Council of those persons and shall not seek to intimidate or attempt to intimidate any person who is or is likely to be a complainant, a witness or involved in the administration of any investigation or proceedings in relation to an allegation that a member has failed to comply with his or her Council's code of conduct.

Part 5 - Codes and Protocols

- 8.03** No Member shall lobby a member of the Council's Audit and Governance Committee or Hearings Panel in a manner calculated or intended to influence their consideration of a complaint of a breach of this Code otherwise than in accordance with the arrangements laid down by the Council.

Part 5 - Codes and Protocols

Registration, Disclosure and Duties on Interests Held by Members and Co-Opted Members of Gloucester City Council

Part 2

9. Registration of Interests

9.01 Do fulfil the requirements of the law and the Council in registering your interests in the Register of Members' Interests. These are explained on the following pages.

9.02 Do draw attention to any relevant interest, where it is required or appropriate to do so, in any proceeding of the Council or its Committees with which you are involved or in any communications with any colleague, officer or outside body in your role as a member.

9.03 Do approach the Council's Monitoring Officer if you feel that your interest should be treated as sensitive because it could lead to you, or a person connected with you, being subject to violence or intimidation.

Disclosable Pecuniary Interests

9.04 You must:-

- a) comply with the statutory requirements to register, disclose and withdraw from participating in respect of any matter in which you have a Disclosable Pecuniary Interest.
- b) ensure that your register of interests is kept up to date and notify the Monitoring Officer in writing within 28 days of becoming aware of any change in respect of your Disclosable Pecuniary Interests.
- c) make a verbal declaration of the existence and nature of any Disclosable Pecuniary Interest at any Meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent (unless the interest is a sensitive interest in which event you need not disclose the nature of the interest).
- d) "Meeting" means any meeting organised by or on behalf of the authority, including:-
 - (i) any meeting of the Council, or a Committee or Sub-Committee of the Council;
 - (ii) taking a decision as a Ward Councillor or as a Cabinet Member;
 - (i) any briefing by officers; and
 - (ii) any site visit to do with business of the authority.

Other Interests

9.05 In addition to the requirements of Paragraph 9.04, if you attend a meeting at which any item of business is to be considered and you are aware that you have a "non-disclosable pecuniary interest" or "personal interest" in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent.

9.06 You have a "non-disclosable pecuniary interest" or "personal interest" in an item of business of your authority where:-

Part 5 - Codes and Protocols

9.07 A decision in relation to that business might reasonably be regarded as affecting the well being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or

9.08 It relates to or is likely to affect any of the interests listed in the Table in the Schedule to this Code, but in respect of a member of your family (other than your spouse, civil partner or person with whom you are living as spouse or civil partner) or a person with whom you have a close association and that interest is not a Disclosable Pecuniary Interest.

Gifts and Hospitality

9.09 You must within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £100 which you have accepted as a member from any person or body other than the authority.

9.10 The Monitoring Officer will place your notification on a public register of gifts and hospitality.

10. Disclosure and Duties in Respect of Interests Held by Members

Declaration of interests not included in the Register

10.01 Do ensure, if you have an interest that is not entered in the Council's register, that

- a) where you are present at a meeting of the Council or of any committee, sub-committee, joint committee or joint sub-committee of the Council, you disclose the interest to the meeting (unless the Council's Monitoring Officer considers that it is a sensitive interest); and
- b) you notify the Council's Monitoring Officer of the interest before the end of 28 days beginning with the date of the disclosure (unless it is subject of a pending notification).

10.02 Do then act accordingly.

Disclosable Pecuniary Interests

10.03 Do ensure, where you

- a) are present at a meeting of the Council or of any Committee, Sub-Committee, Joint Committee, Joint Sub-Committee, Forum or Working Party of the Council; and
- b) are or become aware that you have a disclosable pecuniary interest in any matter to be considered, or being considered, at the meeting,

that you

- do not participate, or participate further, in any discussion of the matter at the meeting; and
- do not participate in any vote, or further vote, taken on the matter at the meeting

10.04 Do ensure, where you

Part 5 - Codes and Protocols

- a) are to discharge a function of the Council acting alone, and
- b) are or become aware that you have a disclosable pecuniary interest in any matter to be dealt with, or being dealt with, in the course of discharging that function

that you

- **do not** take any steps, or any further steps, in relation to the matter (except for the purpose of enabling the matter to be dealt with otherwise than by you).

10.05 Do make a written request to the proper officer of the Council if you consider it appropriate that the Council grant a dispensation relieving you from either or both of the restrictions in paragraph 2.1.

10.06 Do be aware that, in respect of disclosable pecuniary interests, failing to act as required by the Localism Act (as outlined in the Schedule to this Code of Conduct) is a criminal offence.

General

10.07 Do act in accordance with the Council's Procedure Rules where you

- a) are present at a meeting of the Council or of any Committee, Sub-Committee, Joint Committee, Joint Sub-Committee, Forum or Working Party of the Council; and
- b) are or become aware that you have a disclosable pecuniary interest, a non-disclosable pecuniary interest or a personal interest in any matter to be considered, or being considered, at the meeting.

10.08 Do base your conduct when acting as a Member on a consideration of the public interest, avoiding conflict between your personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest.

Part 5 - Codes and Protocols

Schedule to the Code of Conduct

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the **Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012** as follows –

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest.
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

Part 5 - Codes and Protocols

- ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE:- the provisions in paragraph 4 of the Code in respect of the registration and disclosure of Disclosable Pecuniary Interests and to withdraw from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

Part 5 - Codes and Protocols

Declaring Interests Flowchart – Questions to ask yourself

Is there any item of business before the meeting where you are present and you are aware that it:

- relates to or will affect the subject matter of a Disclosable Pecuniary Interest (DPI)? These will include, for either yourself or your spouse/partner:
 - Employment, vocation, trade, profession or office
 - Beneficial interest in a business, company (greater than 1/100th) in the Council's area
 - Beneficial interest in land in the Council's area; or
 - Any interest in a contract with the Council

Yes

- relates to or will affect the subject matter of what would be a DPI but is in respect of a member of your family or a person with whom you have a close association rather than yourself or your spouse/partner?
** A person includes a natural person and also a legal person in the form of a company, a charitable, other incorporated body or, for these purposes, an unincorporated association*

Yes

- might otherwise be reasonably regarded as affecting the well being or financial standing of
 - (i) yourself;
 - (ii) a member of your family; or
 - (iii) a person* with whom you have a close association
 to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected (or otherwise of the authority's administrative area)?

Yes

No

CONTINUE TO FULLY PARTICIPATE
 (Unless you have predetermined the issue, in which case speak as a non-member of the meeting and withdraw to the gallery)

Yes

Do you have a dispensation granted by the authority in relation to this interest?

No

YOU HAVE A PERSONAL INTEREST
 Under the Code of Conduct, you must disclose the existence and nature of your personal interests

No

YOU HAVE A DISCLOSABLE PECUNIARY INTEREST
 Under the Code of Conduct and the Localism Act 2011, you must disclose the existence and nature of your interest and ensure the DPI is registered

Is the interest one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest?

YOU HAVE A CONFLICT OF INTEREST
 It is a requirement of Standing Orders and of the 2011 Act in respect of DPIs enforceable under criminal law that **you must not participate further in any discussion of, or vote on, or take any executive steps in relation to the item of business**

Are members of the public allowed to make representations to the meeting, give evidence or answer questions about the matter, by statutory right or otherwise?

Yes

You may participate in the meeting for that purpose only but **IMMEDIATELY** after you have finished (or when the meeting decides that you have finished)

No

Standing Orders require that you must retire to the public gallery or other area set aside from the meeting

COUNCILLOR CODE OF CONDUCT FOR GLOUCESTER CITY COUNCIL

Gloucester City Council (“the Council”) adopted this code of conduct on xxxx to come into force on xxxx. The Code sets out the conduct that is expected of you when acting, or behaving in a manner to give the impression of acting as a Gloucester City Councillor and conducting council business. The Code does not seek to regulate Councillors’ private or personal lives.

The Code of Conduct is based upon the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

In undertaking your duties as a Councillor

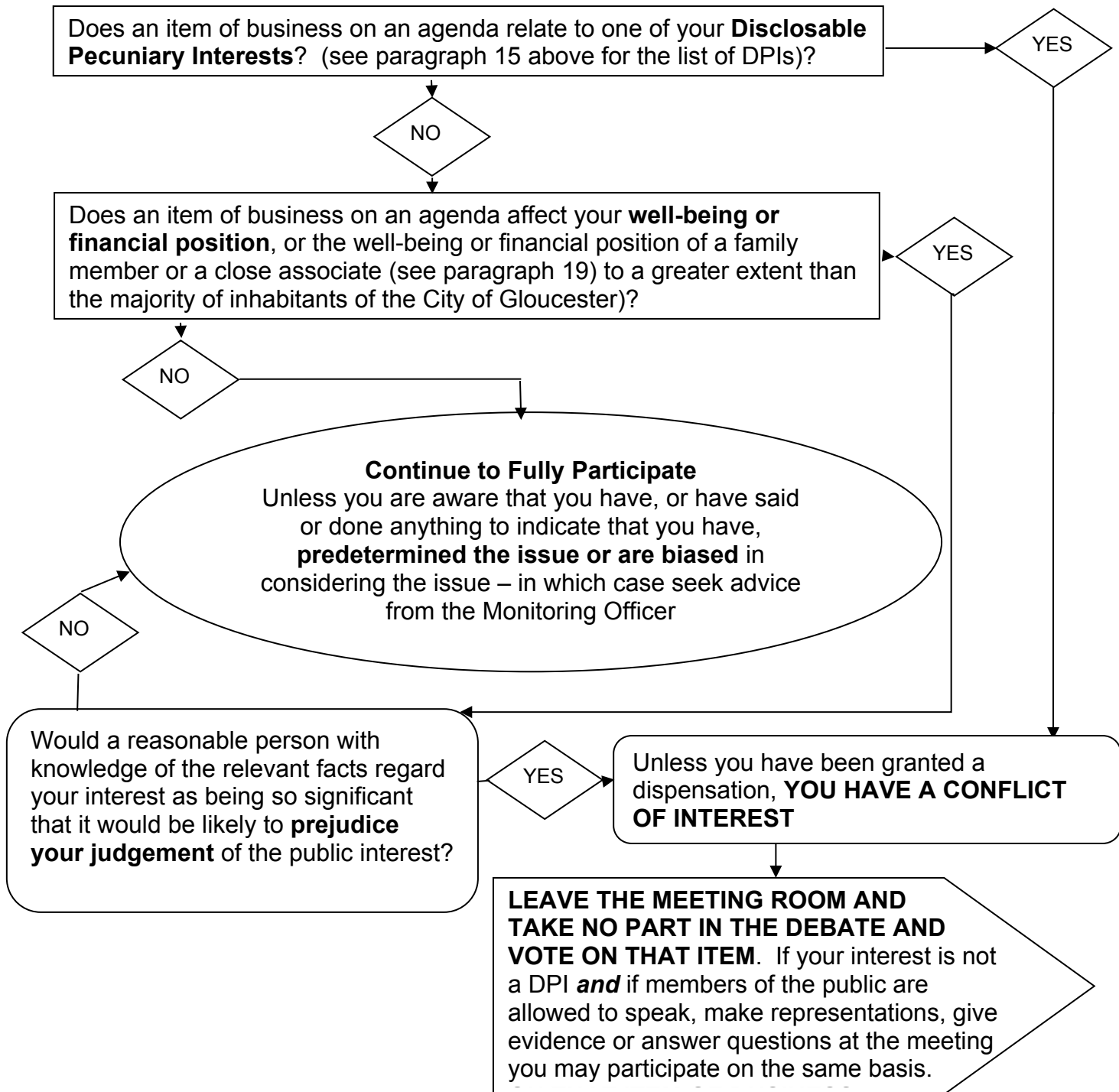
1. You must comply with the law.
2. You must not behave in a way that a reasonable person would regard as disrespectful to them.
3. You must not bully or intimidate or attempt to bully or intimidate any person.
4. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Council.
5. You must not bring the Council, or your office as a Councillor, into disrepute.
6. You must not do anything which may cause the Council to breach any equality enactment
7. You must not use or attempt to use your position as a Councillor improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
8. You must always use the resources of the Council in accordance with the Council’s reasonable requirements and never use those resources for party political purposes.
9. If, because of your membership of the Council, you are in receipt of or are offered any gift or hospitality with an estimated value of £100 or more you must disclose this to the Monitoring Officer within 28 days of receipt; and you must decline to accept any gift or hospitality which could reasonably be perceived as creating an obligation upon the Council, or upon yourself as a member of the Council.
10. You must not knowingly prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
11. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:

- You have the consent of a person authorised to give it; or
 - You are required by law to do so; or
 - The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
 - The disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Council.
12. You must not take part in the scrutiny of any decision you have been involved in making – except that you may provide evidence or opinion to those undertaking the scrutiny process.
13. The Council’s Monitoring Officer will maintain a Register of Interests for Councillors and Co-opted members. Subject to paragraph 16 (Sensitive interests), you must register your interests in the Council’s Register of Interests. In this code of conduct “your interests” means any disclosable pecuniary interest as defined in paragraph 15 below, where those interests are held
- by you, or
 - to your knowledge, by your spouse or civil partner, by a person with whom you are living as a spouse, or by a person with whom you are living as if you were civil partners.
14. You must register information regarding your interests by giving written notice to the Monitoring Officer, who maintains the Register; and you must give such notice:
- before the end of 28 days beginning with the day of your appointment as a member of the Council; and/or
 - before the end of 28 days beginning with the date of any change in your interests.
15. The following are disclosable pecuniary interests referred to within paragraph 13:
- Your employment, office, trade, profession or vocation carried on for profit or gain;
 - Any payment or provision of any other financial benefit (other than from the Council) made or provided in respect of any expenses incurred by you in carrying out your duties as a Councillor or co-opted member or towards your election expenses including any payment or financial benefit from a Trades Union;
 - Any contract which is made between you (or a body in which you have a beneficial interest) and the Council for the provision of goods or services or the exchange of works and which has not been fully discharged;
 - Any beneficial interest which you have in land which is within the Council’s area
 - Any licence you hold either alone or jointly with others to occupy land in the Council’s area for a month or longer;
 - Any tenancies where you know that the Council is the landlord and that the tenant is a body in which you have a beneficial interest
 - Any beneficial interest in securities in a body where you know that body has a place of business in the Council’s area and either

1. the total nominal value of the securities exceeds £25,000 or one hundredth of the total share capital or
 2. if the share capital of the body is more than one class, the total nominal value of the shares of any one class in which you have a beneficial interest exceeds one hundredth of the total issued share capital in that class.
16. Where you consider that disclosure of the details of any of your interests could lead to you, or a person connected with you, being subject to violence or intimidation, you should tell the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the register to the effect that you have a registerable interest, details of which are withheld under Section 32 of the Localism Act 2011.
17. Where you attend a meeting of the Council, or of a Committee of the Council, and you are, or ought reasonably to be, aware that any of your interests are relevant to an item of business which is being considered, then unless the interest is one which has been registered under paragraph 12, you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.
18. Where you attend a meeting of the Council, or of a Committee of the Council, and you are, or ought reasonably to be, aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described in paragraph 19 to a greater extent than the majority of inhabitants of the City of Gloucester, then you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.
19. The persons referred to in paragraph 18 are:
 - (a) a member of your family (spouse/civil partner/someone living with you as if a spouse of civil partner, parent, parent -in-law, son/daughter, step children or the partners of these people);
 - (b) any person with whom you have a close association;
 - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.
20. You must comply with the Procedure Rule adopted by the Council which requires Councillors to leave the room and take no part during that part of any meeting at which a matter in which you have a disclosable pecuniary interest or other interest as described in paragraph 18 above, is being discussed.
21. You may make a written request to the Monitoring Officer seeking a dispensation to enable you to participate in a matter. Either the Audit and Governance Committee or the Monitoring Officer may agree to grant a dispensation in the following circumstances: -

Where so many members of the decision-making body have DPIs in a matter that it would “impede the transaction of the business”. (Monitoring Officer)

1. Where, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter. (Monitoring Officer)
2. Where the dispensation is in the interests of persons living in the Council’s area. (Audit and Governance Committee)
3. Where, without a dispensation, no member of the Executive would be able to participate in a matter before the executive. (Monitoring Officer) or
4. Where the Audit and Governance Committee considers that it is otherwise appropriate to grant a dispensation.



OFFICERS' CODE OF CONDUCT

(This will be amended in accordance with the national framework document)

1. Official Conduct

- 1.1 Staff are expected to give the highest possible standard of service to the public and provide appropriate advice to Councillors and fellow employees with impartiality. Our expectation on propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to rules, procedures and recommended practices.
- 1.2 All staff, whether or not employed in a politically restricted post, must follow every lawfully expressed policy of the Council and must not allow their own personal or political opinions to interfere with their work. Staff in politically restricted posts must comply with any statutory restrictions on their political activities.

2. Working for the Council

- 2.1 Staff are free to do what they like in their spare time as long as their private life does not interfere with their work. The Council will not discourage staff from doing part-time work outside their usual hours, but such work must neither be harmful to the Council's interests nor weaken the public's confidence in the integrity of the Council. Part-time work outside their usual hours should not be for an employer who is in competition with the Council.
- 2.2 Staff on Grade F (SCP 29) or above must not carry out any other business or take up additional appointment while employed by the Council, without the Council's permission. To ensure there is no conflict of interest, staff must notify their Manager if they want to undertake work outside the Council, and get written permission from the Council before undertaking any such work.

3. Implied Contractual Obligations

- 3.1 Contract of employment is also governed by additional conditions known as 'implied terms'. Though these conditions are not written in the contract of employment, these conditions are treated by the law as if they are part of the written contract. These implied obligations are as follows:
- (i) Good Faith and Fidelity
 - Staff must behave honestly and carry out their duties honestly. They must not accept bribes, backhanders or other inducements.
 - Staff must not take unfair advantage of any confidential information obtained through their job.
 - (ii) Information which must be kept confidential includes:-
 - commercially sensitive information;
 - personal details of colleagues;
 - items on green paper;
 - the Council's internal documents (unless the law says that the information must be revealed or instructed by the Manager).
 - (iii) Working for Competitors
 - Staff must not work for a rival employer or set up in competition with the Council while employed by the Council.
 - Staff must not compete with the Council for a contract while still employed by the Council. It is a dismissible offence for staff to tender for a future

contract to provide a service, which is currently being provided by the Council.

- It is also a dismissible offence if staff canvass other Council employees to induce them to join a business, which is being set up with the intention of competing with the Council.

(iv) Behaviour

- Mutual respect between Members and all staff is essential to good local government, and working relationships should be kept on a professional basis.
- Staff should deal with the public, Members and other employees sympathetically, efficiently and without bias.
- Any harassment and bullying is unacceptable to the Council and will be dealt with in accordance with the Council's Code of Practice on Harassment and Bullying at Work.
- Employees must not be under the influence of drugs or alcohol at work.
- Staff should not behave in a way which is likely to bring the Council into disrepute.
- All employees should provide a united image of the Council's values, aims and responsibilities to the public. Staff must not directly oppose the aims and responsibilities of the Council by publicly criticising and blaming colleagues, sections or other service units of the Council.
- If staff belong to a professional association, they are expected to comply with its Code of Conduct and professional standards.

4. Handling Information

4.1 When handling information staff need to comply with the Data Protection Act 1998. This law requires that personal data is:-

- fairly and lawfully processed;
- processed for limited purposes;
- adequate, relevant and not excessive;
- accurate;
- not kept longer than necessary;
- processed in accordance with the data subject's rights;
- secure;
- not transferred to countries without adequate protection.

4.2 Disclosing Information

- Staff may be required by law to disclose certain types of information to Members, auditors, government departments, service users and the public. Information should be disclosed unless there is a good reason for not doing so.
- Staff must not reveal any information to anyone else unless they have a legal responsibility to provide it, or where the employee, client, contractor, debtor or creditor concerned gives them written permission to do so.
- Staff should not disclose details on proceedings at Committee meetings, or Council, or any letters or documents to the public unless they have been told to do so by their Manager or the law says that they can reveal such information.
- Staff must not use information obtained through work for their personal benefit or gain, nor may they pass it on to anyone else who might use it in such a way.
- Staff must not discuss Council business/information with colleagues from other organisations, friends or family members who may work for, or have friends who work for a competitor.

- Staff must not discuss information about any Council employee's private affairs with the public without that person's permission.

4.3 Communicating Information

- Staff will need to exercise reasonable judgement in communicating information, particularly information which may bring the Council in to disrepute or cause it harm, to any person or organisation outside the Council.
- Staff will need to obtain permission before revealing internal letters or debating with the media, community groups or other public organisations.
- They will also need to obtain permission before accepting any invitation to take part in newspaper interviews, radio broadcasts, and television programmes, and so on where the discussion relates directly or indirectly to their work at the Council.
- Only staff who have undergone media training are allowed to engage with the media.

5. Gifts and Hospitality

5.1 All offers of a gift or hospitality, whether accepted or not, must be entered in the Register of Gifts and Hospitality, which is maintained by every service. The register will contain the following information:-

- the person or organisation making the offer;
- the member of staff to whom the offer was made;
- the gift or hospitality offered;
- the circumstances in which the offer was made;
- the action which you took if the offer was made to you;
- the action taken by the Manager.

5.2 Gifts

- Staff are not allowed to accept any money or reward other than their wages. It is a criminal offence, currently punishable by a fine of up to £2,500 under section 117 (2) of the Local Government Act 1972.
- Small gifts, such as calendars, diaries, pens, pencils and other tokens which are distributed to many employees as a common business practice, can be accepted without needing to obtain permission and without your acceptance having to be recorded, as long as they are not personal only to the receiving individual.
- Any gifts which have been delivered and cannot be returned for some reason should be given to the Head of Paid Service for official use or donation to a local charity. All such gifts must be registered in the Register of Gifts and Hospitality.

5.3 Hospitality

- Staff may accept a reasonable degree of hospitality in reasonable circumstances, but will need to take extreme care to avoid any suggestion of improper influence. (For guidance, see staff handbook)

5.4 Free/Discount Travel

- Staff should not accept free or discounted transport unless:-
 - they have obtained their Manager's approval; and
 - the offer is available to all Council employees; or
 - it is travel which involves legitimate participation in promotional events.

- 5.5 Free/Discount Meals
Staff may accept an occasional modest working lunch, which is part of an on-going working relationship between staff and an outside organisation, which allows staff to discuss business. The hospitality must be just a minor part of a specific working arrangement.
- 5.6 Sporting and Social Events
- Staff must decline invitations to major sport and social events, such as international or national fixtures, golf tournaments, theatre trips or dinners/parties as the guest of a contractor or contractor who is seeking to do business with the Council.
 - Staff can accept sport and social functions which are part of local community life and which include local competitions, community interest group gatherings, meetings of a public organisation and events which celebrate an achievement within the City of Gloucester area.
- 6. Financial Matters**
- 6.1 Staff must ensure that they use public funds entrusted to them in a responsible and lawful manner.
- 6.2 Standing Orders and Financial Regulations
- Staff must act in accordance with the Standing Orders and Procedures as specified in Part 4 of the Constitution.
- 6.3 Fraud and Corruption
- The Council expects that Members and staff at all levels will lead by adherence to the rules, procedures and recommended practices of the Anti-Fraud and Corruption Strategy.
 - If any employee is in receipt of benefits they should notify the relevant authority of the change of circumstances when they take up the post.
 - The Council's Benefit Fraud Team will be allowed access to Council and personnel records relevant to an investigation in accordance with the Housing and Council Tax Benefit Fraud Policy.
- 6.4 Staff must declare to their Manager any financial interests, which could be seen as being in conflict with the Council's interests.
- 6.5 Relationships of a business or private nature with external contractors or potential contractors should be made known to the appropriate Manager.
- 6.6 No special favours should be shown to any business run by for example, friends, partners or relatives during the tendering process.
- 6.7 Staff are required to write to the appropriate Manager as soon as possible giving details of any direct or indirect financial benefits they may receive from a contract, or proposed contract with the Council. Staff will have to comply with this legal requirement for contracts whether or not they have signed the contract personally.
- 6.8 They must write to their Manager to tell him or her of any approaches or offers made by a potential contractor even if they said "No". Any offer of cash for information by a competitor must also be notified to the Manager.
- 6.9 Members and staff at all levels must act with propriety.

7. Appointment and Other Employment Matters

- 7.1 Staff involved in making appointments should ensure that these are made on the basis of merit. It is unlawful for an employee to make an appointment, which was based on anything other than the ability of the candidate to undertake the duties of the post. In order to avoid any possible accusation of bias such employees should not be involved in an appointment, or any other decisions relating to discipline, promotion or pay and conditions for any other employee or prospective employee to whom they are related, or have a close personal relationship outside work.

8. Equality Issues

- 8.1 Staff should ensure that Council policies relating to equality issues are complied with in addition to the requirements of the law. Everyone, including customers, other employees, potential employees, clients and customers are treated consistently with respect and in accordance with the principles of equal opportunities and human dignity.

9. Customer Care

- 9.1 Staff are expected to conform to the standards of the customer care programme as specified in the Customer Care Charter, the codes of conduct for writing letters, answering phones, service charters and the requirements of the complaints policy and procedures.

10. Health and Safety

- 10.1 The Health and Safety at Work Act 1974 applies to everyone at work and to the general public, visitors and clients who may be affected by work activities.

- 10.2 As employees, members of staff are responsible for:

- making themselves familiar with, and conform to, the health and safety programme at all times;
- observing all safety rules at all times;
- wearing appropriate safety equipment and use appropriate safety devices at all times.
- conforming to instructions given by their Manager and others with a responsibility for health and safety;
- reporting all accidents and damage to his/her supervisor whether persons are injured or not;
- making suggestions to improve health and safety in the workplace to your supervisor;
- reporting all hazards and defects to your supervisor.

11. Council Policies and Practices

11.1 No Smoking at Work

Smoking is not allowed in any of the Council's premises including civic, and public areas in the Docks buildings. Staff must abide by the Council's No Smoking Policy.

11.2 Alcohol and Substance Abuse

Any employee, who is identified as having alcohol related or substance abuse problem, will be treated in accordance with the guidance notes on alcohol and substance abuse.

11.3 IT Security

- (a) Staff must follow the rules and regulations laid out by the IT Security Policy when using the internet.

- (b) Staff must also follow the Council's e-mail user policy when sending and receiving e-mails.

11.4 Whistleblowing

The Public Interest Disclosure Act 1998 provides protection for workers who disclose information which might otherwise be regarded as confidential.

Gloucester City Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, the Council encourages employees and others with serious concerns about any aspect of the Council's work to come forward and voice those concerns via the Whistleblowing Policy. It is recognised that certain cases will have to proceed on a confidential basis and this policy makes it clear that staff can do so without fear of reprisals.

11.5 Use of Office Equipment

- (a) Staff must follow the Council's policy regarding the use of office telephones/mobile phones and fax machines, as stated in the employee handbook.
- (b) Staff must not utilise property, vehicles or other equipment and facilities of the Council for personal use unless authorised to do so.

12. Investigation by the Monitoring Officer

- 12.1 Where the Monitoring Officer or an Internal or External Auditor is undertaking an investigation in accordance with the Council's adopted standards arrangements, an employee must comply with any requirement made by the Monitoring Officer in connection with any such investigation.

EMPLOYEE CODE OF CONDUCT FOR GLOUCESTER CITY COUNCIL

Gloucester City Council (“the Council”) adopted this code of conduct on **xxxx** to come into force on **xxxx**. The Code sets out the conduct that is expected of you when acting as an Employee of Gloucester City Council and conducting council business including full-time and part time staff, permanent, temporary, casual or agency staff, secondees, work placements, apprentices and trainees.

The Code does not seek to regulate employees’ private or personal lives, but care must be taken to ensure that nothing is done that would bring council work and private interests into conflict or bring the employee or the Council into disrepute.

Purpose of this Code of Conduct

The people of Gloucester are entitled to expect conduct of the highest standard from all the Council’s employees. All employees are expected to act in accordance with this Code, it forms part of the terms and conditions of employment, and failure to comply may result in disciplinary action.

The Code of Conduct is based upon the seven principles of public life selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Employee’s responsibilities

You are expected to:

1. Maintain conduct of the highest standard so public confidence in your integrity is sustained
2. Ask for clarification from your manager on any aspects of the Code that are not clear
3. Incorporate and promote equality in all that you do
4. Keep up to date with the latest version of the Code and follow it at all times.

Manager’s responsibilities

Your manager is responsible for the application of this policy in their work area and will

1. Set a positive personal model of behaviour
2. Ensure standards in the Code are established and communicated
3. Provide clarification, where required, to improve employee understanding
4. Take proper action at the earliest opportunity to manage non-compliance with the standards set out in this Code

1 Public funds

- 1.1 All employees must act with probity, financial control and honesty and adhere to arrangements for the prevention and detection of fraud and corruption.

1.2 All employees must comply with the Council's Financial, Contract and Procurement Regulations, the Anti-Fraud and Corruption Strategy, Anti Bribery Policy, Anti Money Laundering and Confidential Reporting (Whistle Blowing) Policies.

1.3 Orders and contracts must be awarded on merit, by fair competition against other tenders and no special favour should be shown in the tendering process to businesses operated or controlled by friends, partners or relatives.

2 Customers

2.1 All employees should be courteous, efficient and impartial. Staff who work with customers who behave aggressively should familiarise themselves with the best practise for dealing with violence and aggression.

3 Other Employees

3.1 All employees must treat colleagues, including those not directly employed by the council, with courtesy and respect, and must not abuse them verbally or physically. Staff must not harass or bully or be insubordinate to colleagues and must comply with the standards set out in this Code in relation to equalities.

3.2 Employees who are in a partner, family or emotional relationship may at some time work together. Such personal relationships seldom interfere with work and the presumption will be that the relationship will not affect performance. However, there are situations when a personal relationship between employees becomes a management concern and may unintentionally impair operational efficiency or affect the integrity of service delivery. Employees must declare any personal relationship with another employee, where the relationship could affect, or could be perceived to affect performance.

3.3 In any situation where employees in a personal relationship work in close proximity, the council reserves the right (without breach of contract) to require one or both employees to change their roles or duties. This is intended to avoid the employees in a relationship finding themselves in a potentially difficult situation and avoid perceptions of undue influence or unfairness (whether real or imagined).

4 Equalities

4.1 All members of the local community, customers, councillors and colleagues have a right to be treated with fairness and equity and be confident that they will not be discriminated against because of their age, gender, gender reassignment, disability, pregnancy/maternity status, race or ethnicity, religion or belief, their economic and social background, those with responsibilities as a carer, those who are married or in a civil partnership, or any other ground that cannot be shown to be justified.

- 4.2 All employees must take care to do nothing that may cause them or the Council to breach any equality enactment.

5 Health and Safety

- 5.1 All employees shall comply with the Council's Health and Safety policies and procedures and must ensure that they do not act wilfully or intentionally in a manner liable to place the public, colleagues, themselves or the Council at risk.
- 5.2 Smoking is not allowed in any of the Council's premises and any employee who is identified as having an alcohol related or substance abuse problem will be treated in accordance with the guidance notes on alcohol and substance abuse.

6 Conflicts of Interest

- 6.1 All employees must avoid creating a conflict of interests between their private life and their public duties. The council reserves the right to bring action against an employee where their conduct outside work conflicts with their public duties, for example where conduct outside of work could undermine the council's reputation or public confidence.
- 6.2 Serious misconduct or criminal offences committed during or outside working hours, which bring the employee or the council into disrepute, will be subject to disciplinary action under the council's Disciplinary policy, and may result in dismissal. Employees must inform the Monitoring Officer if they are convicted of a criminal offence.
- 6.3 Employees who are involved with granting permissions, approvals, consents or benefits, must take no part in considering any application made by the employee or their, relative, friend or neighbour.
- 6.4 All staff appointments will be made on merit. In order to avoid any possible accusation of bias, employees should not be involved in an appointment, either on an Appointment Panel or as a referee, if they are related to an applicant, or have a close personal relationship with them outside work. Employees should not be involved in decisions relating to discipline or other sanction, or in decisions relating to pay, where they are related to, or have a close personal relationship with, the employee who is subject to that decision.
- 6.5 Employees must declare any financial or other interest - whether direct or indirect - in any existing or proposed contract with the Council or any other interest or association with any council activity, which could cause a potential conflict of interest these include but are not limited to decision-making, the management of contracts and giving policy advice.

6.6 All declarations must be made in writing to the Monitoring Officer. The Monitoring Officer can also provide advice to ensure compliance with this requirement.

7 Secondary Employment

7.1 Employees may undertake secondary employment such as: work on a voluntary, fee-paying or recognition-in-kind basis; or engaging in any other business; as well as secondary employment within the council itself.

7.2 Employees on or above Grade F (Scale Point 29) must obtain the express consent of their Head of Service prior to engaging in any other business or taking up any secondary employment. Employees must subsequently keep their Chief Officer advised of any changes to their secondary employment.

7.3 Secondary employment outside the council must not conflict with the council's interests or bring it into disrepute. You are not permitted to undertake secondary employment during your working hours, use council property, equipment or associated documents or communications.

7.4 The Council reserves the right to take action if secondary employment is deemed to be detrimental to the interests or reputation of the council, or where it affects an employee's work performance.

7.5 Employees may not become a trustee or board member of any organisation which receives any form of funding from the council except with the express consent of their Head of Service, after consultation with the Monitoring Officer.

7.6 Employees must not engage in secondary employment which is set up in competition with the Council or compete with the Council for a contract while still employed by the Council or canvass other Council employees to induce them to join a business which is set up in competition with the Council.

8 Gifts, Hospitality and Inducements

8.1 It is a criminal offence for an employee to accept money or reward other than their proper pay.

8.2 Small gifts may only be accepted when they are low cost, functional items suitable for business use, rather than personal use, e.g. diaries, calendars, pens. Any other gifts should be returned officially with a suitable letter of explanation. If they cannot be returned, they should be given to the Head of Paid Service for donation to the Mayor's Charity

8.3 Visits by employees to exhibitions, demonstrations, conferences, business meals, and social functions, in connection with their official duties shall be at the council's expense.

- 8.4 Hospitality, in the form of meals and drinks, offered by a third party, is only acceptable where it forms a minor part of normal business meetings/discussions held during the normal working day.
- 8.5 Other offers of hospitality, e.g. invitations to dinners, cultural performances, sporting events, awards ceremonies etc, should only be accepted if there is a clear and demonstrable benefit to the council, and the hospitality would not expose the council to criticism that the provider of the hospitality was achieving undue influence or creating the perception of an obligation. Attendance must have the Head of Paid Service's approval in advance and must be recorded in the register of gifts and hospitality.
- 8.6 Informal social contact e.g. drinks in a public house, with representatives of organisations, which supply, or hope to supply, goods or services to the council must always be avoided. Where such instances do occasionally take place, i.e. after late working, employees should ensure that the other party does not meet the costs of such contact in full. Employees should record such events in the register of gifts and hospitality.
- 8.7 The register of gifts and hospitality is held by the Monitoring Officer and is subject to regular Audit inspection.
- 8.8 Employees should not engage the services of contractors commissioned by the council when acquiring materials, labour or plant at cost, trade or discount prices. Whilst such an arrangement may constitute a saving it puts employees in a compromising situation which may bring them and the council into disrepute.
- 8.9 Customers may seek to express their thanks to employees by offering gifts, money etc. Employees should refuse such 'gifts' politely and explain why you cannot accept them before reporting this matter to their line manager.
- 8.10 The prevention, detection and reporting of bribery is the responsibility of all employees and all staff are required to avoid any activity that might lead to, or suggest, a breach of the Bribery Act 2010.

9 Political Neutrality

- 9.1 All employees serve the council as a whole and not just the controlling group - and must ensure the individual rights of all councillors are respected.
- 9.2 All employees must follow the lawfully expressed policies of the Council and must not allow their own personal or political opinions to interfere with their work

- 9.3 Employees in politically restricted posts must comply with the statutory restrictions on their political activities.
- 9.4 Whilst engaged in council business, employees must not wear or display any objects indicating support for or opposition to any political party or view. This applies to private vehicles used whilst undertaking council business.
- 9.5 Employees must declare any personal relationship with a Councillor. Where the relationship could present a conflict of interest, your manager will need to consider how this will be effectively managed.

10 The Media

- 10.1 All communications with the media relating to the activities of the council should be handled through the communications team at coms@gloucestershire.gov.uk
- 10.2 No employees should communicate with the media on matters relating to the activities of the council without authorisation from the communications team and journalists should be referred to the communications team.
- 10.3 Employees with ideas for positive stories about the council should contact the communications team.
- 10.4 Any employee that wishes to write material for publication which does not refer to the council but relates to their profession (e.g. an article in a professional journal), should advise their manager before publication. The article should also contain a disclaimer, which states that the views are those of the individual and not of the council.

11 Use of Council Facilities and Systems

- 11.1 The council's property and facilities are provided for official council business. All council owned portable equipment and devices must be returned on leaving council employment and any council-owned or supplied data must be deleted. Access to systems used for council purposes must be terminated permanently.
- 11.2 Any property, equipment or devices provided to employees for business use must be used in compliance with the terms, conditions and use policies provided at the time the equipment was issued (or as they may be updated from time to time).
- 11.3 The council has the right to access and monitor communication systems provided to you, and will monitor usage of its communication systems e.g. telephone, email and Internet access, to ensure their proper use and will run reports detailing usage levels of staff.
- 11.4 Systems may be accessed when the council suspects an employee has been misusing council facilities, or, for the investigation of suspected fraud or other

irregularity. In addition, where service delivery reasons exist, an employees' senior officer, may approve access to emails when an employee is absent. Access to facilities may be temporarily suspended whilst an investigation is on-going and may be permanently withdrawn where misuse is detected. Cases of 'misuse' may result in disciplinary action being taken - this may include dismissal.

11.5 Email and the Internet are available for work use and provisions apply as part of agile working. External email is not secure, employees must take this into account when choosing how personal and confidential information is communicated. Good practice guidelines for the use of email and the Internet are available on GlosNet.

11.6 Never send inappropriate comments by email.

11.7 Be aware contracts formed by email or over the Internet might be legally binding. Any contractual agreement, offer or acceptance must only be made electronically if you have authority to do this or where specific management authorisation has been given.

12 Social networking websites

12.1 All employees are encouraged to exercise discretion and use social media responsibly at all times this is to protect the Council's operations, confidential information and reputation. The following applies to all employees who use social networking websites at work or in their private life:-

- 1) Avoid making any social media communications that could damage the council's business, operations or reputation, even indirectly.
- 2) Don't use social media to:
 - defame or disparage the council, staff or any third party;
 - harass, bully or unlawfully discriminate against staff or third parties;
 - make false or misleading statements; or
 - impersonate colleagues or third parties
- 3) Don't express opinions on the Council's behalf, unless expressly authorised to do so by your manager: you may be required to undergo training in order to obtain such authorisation.
- 4) Don't post comments about sensitive business-related topics, such as draft proposals or information belonging to any organisation (or person) with which the council works in partnership.
- 5) Don't do anything to jeopardise the Council's confidential information and intellectual property.
- 6) Never include our logos or other trademarks connected to the council's work in any social media posting or in your profile on any social media.

13 Handling Information

- 13.1 All employees must comply with the Data Protection legislation and the Council's Data Protection Policy.
- 13.2 Employees may be required by law to disclose certain types of information to Councillors, auditors, government departments, service users and the public. Information should be disclosed unless there is a good reason for not doing so.
- 13.3 Information which must be kept confidential includes:
- a) Commercially sensitive information
 - b) Personal details of colleagues
 - c) Reports and Minutes which are Confidential or Exempt from publication
 - d) The Council's internal documents (unless the law says that the information must be made public or as instructed by a Manager)
- 13.4 Employees must not reveal any information to anyone else unless they have a legal responsibility to provide it, or where the employee, client, contractor, debtor or creditor concerned gives them written permission to do so.
- 13.5 Employees must not use information obtained through work for their personal benefit or gain, nor may they pass it on to anyone else who might use it in such a way.
- 13.6 All employees should exercise reasonable judgement in communicating information, particularly information which may bring the Council in to disrepute or cause it harm, to any person or organisation outside the Council.

14 Whistleblowing

- 14.1 The council does not tolerate any form of malpractice. Every employee has an important part to play in reporting any concerns, and all staff are expected to cooperate with investigations. Although it is often difficult for employees to report legitimate concerns through fear of victimisation or reprisal, please be assured that in raising concerns you will be supported. Please refer to the Whistleblowing policy for more information.

15 Compliance with the Code

- 15.1 This Code is part of your contract of employment. An extract of the Code is issued to every employee as part of their terms and conditions of employment, together with advice on how to access the full document.
- 15.2 Failure to comply with any of the provisions included in this Code may result in disciplinary action being taken under the Disciplinary policy, or legal action if necessary.

16 Additional guidance and support

16.1 This policy provides an overview of the purpose of the policy and the roles and responsibilities of those for whom it is intended. There are other documents which provide more detail and helpful guidance that should be read in conjunction with this Code and these are listed below:-

Responsibility for Functions (Scheme of Delegation - Constitution Part 3)
Financial Regulations (Constitution Part 4)
Contract Rules (Constitution Part 4)
Officer Employment Procedure Rules (Constitution Part 4)
Protocol on Councillor/Officer Relations (Constitution Part 5)
Data Protection Policy (GlosNet GDPR)
Information Security Policy and Procedures (GlosNet GDPR)
Anti-Fraud and Corruption Policy Statement (GlosNet Policies and Procedures)
Ordering Goods and Paying For Them (GlosNet Procurement)
Agile Working Policy (GlosNet HR)
Disciplinary Policy (GlosNet HR)
Fairness, Diversity and Equality at Work Policies (GlosNet HR)
Gifts and Hospitality Guidance (GlosNet HR)
Safety Health and Well-being (GlosNet HR)
Whistleblowing Policy (Glosnet HR)
Code of Practice for Planning
Code of Practice for Licencing
IT Policies

This page is intentionally left blank

PROTOCOL ON MEMBER/OFFICER RELATIONS

This protocol forms part of the local framework for standards of behaviour approved by the Audit and Governance Committee. Monitoring of compliance with this protocol is the responsibility of the Audit and Governance Committee, the Monitoring Officer and the Head of Paid Service.

1. Introduction

- 1.1 The relationship between Councillors and officers is essential to the successful working of the Council. This relationship within the authority is characterised by mutual respect, informality and trust. Councillors and officers should feel free to speak to each other openly and honestly. The purpose of this protocol is to help Councillors and officers perform effectively by giving guidance on their respective roles and expectations and on their relationship with each other.
- 1.2 Guiding all aspects of relationship between Councillors and officers should be the following general principles governing Members' conduct, some of which are enshrined in law:-
- **selflessness** - serving only the public interest
 - **honesty and integrity** - not allowing these to be questioned; not behaving improperly
 - **objectivity** - taking decisions on merit
 - **accountability** - to the public; being open to scrutiny
 - **openness** - giving reasons for decisions
 - **personal judgement** - reaching one's own conclusions and acting accordingly
 - **respect for others** - promoting equality; avoiding discrimination; respecting others (Member/Member, as well as Member/officer)
 - **duty to uphold the law** - not acting unlawfully
 - **stewardship** - ensuring the prudent use of the Council's resources
 - **leadership** - acting in a way which has public confidence
- 1.3 The Protocol must be read and operated in the context of any relevant legislation and national and local codes of conduct and any relevant Council procedures.

2. The Roles of Councillors and Officers

- 2.1 Councillors are responsible to the electorate and serve as long as their term of office lasts. Officers are responsible to the Council and carry out the Council's work under the direction of the Council, Executive and Committees.
- 2.2 Councillors:
- Elected Councillors are responsible for:
- (a) giving political leadership;
 - (b) initiating and determining the policy of the Council, determining the core values of the Council and approving the Council's policy framework, strategic plans and budget;
 - (c) acting as advocates for their constituents;
 - (d) democratic accountability for the delivery of Council services;
 - (e) the scrutiny of Council services;
 - (f) the promotion of partnership working;
 - (g) representing the Council on local, regional and national bodies.

- 2.3 It is not the role of Councillors to involve themselves in the day-to-day management of the Council's services.
- 2.4 Executive Members, Chairs and Vice Chairs have additional responsibilities. These responsibilities will result in increased expectations and relationships with officers that are more complex. Such Councillors must still respect the impartiality of officers and must not ask them to undertake work of a party political nature or compromise their position with other Councillors or other officers.
- 2.5 Cabinet Members can have individual executive powers. They may determine matters within their portfolio, but implementation of their decisions is the responsibility of officers.
- 2.6 Officers:
- Officers are responsible for:
- (a) providing professional advice and information to Councillors in developing and implementing policy and in decision-making;
 - (b) implementing decisions of Councillors;
 - (c) day-to-day administration of the Council;
 - (d) managerial and operational decisions taken within the Council's Scheme of Delegation;
 - (e) information to and consultation with local people about Council services.

The Head of Paid Service, Monitoring Officer and Chief Financial Officer have responsibilities in law over and above their obligations to the Council and its Councillors, and which they must be allowed to discharge.

- 2.7 Councillors and officers will wish to discuss policy issues and officers will require political guidance in preparing proposals. When officers prepare reports for Councillor decision they have a duty to give advice in accordance with their professional expertise and their own professional codes of conduct. In some situations officers will be under a duty to submit a report on a particular matter. Officers expect to have their professional integrity respected and not to be influenced or required to reduce options, withhold information or make recommendations to the Cabinet or a Committee which they cannot support professionally.

3. Working Relationships

- 3.1 Councillors can expect the following from officers:
- (a) a commitment to the Council as a whole and not to any political group;
 - (b) performance of their duties effectively and efficiently;
 - (c) a working partnership;
 - (d) an understanding of respective roles and pressures;
 - (e) timely responses to enquiries and complaints;
 - (f) impartial professional advice;
 - (g) regular and up to date information on matters which are appropriate and relevant to their needs;
 - (h) awareness of and sensitivity to the political environment;
 - (i) courtesy and appropriate confidentiality;
 - (j) training and development in order to carry out their role effectively;
 - (k) that employees will not use their relationship with Councillors to advance their personal interests to influence decisions improperly;
 - (l) compliance with the Officer Code of Conduct;

- (m) support for the role of Councillors as the local representatives of the authority, within any scheme for Councillor support approved by the authority.

3.2 Officers can expect the following from Councillors:

- (a) a working partnership;
- (b) an understanding of respective roles and pressures;
- (c) political leadership and direction;
- (d) courtesy and appropriate confidentiality;
- (e) not to be subject to bullying or put under undue pressure;
- (f) not to use their position or relationship with officers to advance their personal interests or to influence decisions improperly;
- (g) compliance with the Councillor Code of Conduct;
- (h) to inform the Monitoring Officer of any relationships which might be seen as unduly influencing their work and role.

3.3 Mutual trust and respect between Councillors and officers is essential, but gives rise to two contrasting requirements. On the one hand, close personal familiarity can damage the relationship and prove embarrassing to other Councillors and officers, but on the other hand, Councillors must bear in mind that officers cannot respond to personal criticism in the same way that other Councillors can, and should temper their remarks accordingly. This is particularly important when Councillors are dealing with less senior staff. When dealing with casework/ward issues, Councillors are encouraged to use the Council's call centre which will assist in the tracking of casework.

3.4 The normal conduct of business will mean that Councillors may deal directly with some staff below senior level. These dealings will be conducted according to the principles outlined in this protocol and any difficulties should be reported to the relevant Corporate Director.

3.5 Councillors should bear in mind that unless there is an on-going relationship with a particular member of staff, for example in relation to a case or application they are dealing with, Councillors are expected to deal in the first instance with the Head of Paid Service, Corporate Directors and Heads of Service. This is because:

- (a) Corporate Directors and Heads of Service are in a better position to provide authoritative information or advice;
- (b) they need to be aware of any questions or complaints raised by Councillors;
- (c) they are able to respond to Councillors requests, for example, by making a judgement as to whether action may be taken under officers' delegated authority; and
- (d) they are able to investigate and deal with any shortcomings there might be at the point of service delivery.

3.6 In addition, this avoids the possibility of staff below the levels identified above being 'intimidated' or even 'bullied' by over-enthusiastic Members.

3.7 Where there is a serious breach of this protocol, this may lead to action being taken against a Councillor for non-compliance with the Councillors' Code of Conduct.

4. At Meetings

4.1 Officers and Councillors will most frequently come into contact with each other at the various meetings held to conduct Council business, and at partnership, area and other consultative bodies. The respective roles of Councillors and officers may vary according

to the purpose of the meeting and therefore their relationship to each other will also vary. The following basic rule will apply in all situations.

- 4.2 At all times Councillors and officers will show respect to one another. Although Councillors are entitled to question officers at meetings they must avoid personal attacks on officers and ensure that criticism is constructive and well founded. Officers will expect to have the opportunity to explain what appears to be an inconsistency.
- 4.3 Wherever a formal public meeting is organised to consider a local issue, all the Members representing the ward(s) affected should, as a matter of course, be invited to attend the meeting. Similarly when the Council undertakes any form of consultative exercise on a local issue, the Ward Councillors should be notified at the outset of the exercise.

5. Working with Political Groups

- 5.1 Political groups have an important role to play in the development of policy and the political management of the authority. Whilst the operation of the political groups must be supported by the Council, it is important that officers remain politically neutral, and avoid being identified with any political group.
- 5.2 Officers will give advice and information to any Councillor or group of Councillors on the Cabinet or Overview and Scrutiny Committee.
- 5.3 If the resource implications of providing information are considerable, the Leaders of the political groups and the Head of Paid Service will discuss and agree what information will be provided by officers.
- 5.4 Officer advice and analysis will be made available to opposition party groups, for example in relation to preparation of amendments to the budget prior to the annual budget meeting of the Council. Where an opposition party requests significant work by officers that is likely to disrupt other essential work, the Head of Paid Service will be advised and will decide whether the officer resources can be committed.
- 5.5 Any alleged breach of this protocol shall be referred, in the first instance, to the relevant Corporate Director or Head of Service for investigation in accordance with the Council's disciplinary procedures.
- 5.6 Whenever a public meeting is organised by the Council to consider a local issue, all the Members representing the Ward or Wards affected should as a matter of course be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on a local issue, the Ward Members should be notified at the outset of the exercise.

6. Correspondence

- 6.1 Correspondence between individual Members and Officers should not be copied by the Officer to any other Member. However, where such correspondence concerns Council policy or, the interpretation of Council policy, in this instance a copy should be sent to the relevant Cabinet Member or Chair of Committee and this should be made clear to the original Member. Under no circumstances should 'silent copies' be made available to a third party, and copies should only be sent to third parties with the express permission of the Member involved.
- 6.2 Official letters on behalf of the Council should normally be sent out in the name of the appropriate Officer, rather than in the name of a Member. It may be appropriate in certain circumstances (e.g. representations to a Government Minister) for a letter to appear in the name of a Member, but this should be the exception rather than the norm. Letters which, for example, create obligations or given instructions on behalf of the Council should never be sent out in the name of a Member.

7. Reports

(a) Political Groups

- 7.1 Political groups may request the Head of Paid Service or a Corporate Director to prepare written reports on matters relating to the Council for consideration by the group.
- 7.2 Officer reports will be factual and may identify options with the merits or otherwise of these. Reports will not deal with any political implications of the matter or any options set out and recommendations will not be made to a political group.
- 7.3 Where a report is prepared for a political group, the Head of Paid Service will advise all other groups that the report has been prepared and will provide a copy to any group on request.

(b) Cabinet and Individual Cabinet Members

- 7.4 Cabinet Members will take decisions in accordance with the Constitution (Part 4, Cabinet Procedure Rules).
- 7.5 Individual Cabinet Members, the Head of Paid Service, Corporate Directors, Heads of Service, the Monitoring Officer and the Chief Financial officer have the right to submit reports to the Cabinet for consideration.
- 7.6 All reports must have regard to:
 - (a) the requirements of the Committee Reporting Procedure (as incorporated in the Constitution);
 - (b) decision making criteria (as incorporated in the Constitution);
 - (c) unless there is a legal requirement for a report to be in the name of a 'statutory officer' or 'proper officer', once a report has been through the Cabinet Briefing Process, 'ownership' of the report will be in the name of the individual Cabinet Member.
- 7.7 Where officers have given different advice leading to different recommendations this shall be reflected in the decision tracker which accompanies the report.

8. Officer Attendance

- 8.1 Any political group may request the Head of Paid Service or a Corporate Director to attend a meeting of the group to advise on any matter relating to the Council.
- 8.2 The Head of Paid Service or Corporate Director may arrange for the attendance of a representative in his/her stead, or may decline to attend or provide representation where he/she believes that the particular issue is of such a political nature that it would be inappropriate to attend.
- 8.3 Officer advice will be factual and may identify options with the merits or otherwise of these. Advice will not deal with any political implications of the matter or any option.
- 8.4 Where an officer attends a political group, the Head of Paid Service will advise all other groups that the officer has attended and the subject on which he/she has advised.
- 8.5 Officers will respect the confidentiality of any matter that they hear in the course of attending a political group meeting.

9. Working with Overview and Scrutiny

- 9.1 The Overview and Scrutiny Committee has the power to require Cabinet Members and officers to appear before them and answer questions, but they may, if appropriate arrange for other staff to attend meetings to assist.

- 9.2 The Council has agreed that there will be no formal separation of officer support between the Executive and Scrutiny functions. The Head of Paid Service has overall responsibility for ensuring that staffing support is adequate. The Scrutiny Work Programme is determined by the Overview and Scrutiny Committee who will take into consideration resource issues. It is not anticipated that officers will be faced with conflicts of interest in having to serve both Executive and Scrutiny, but should any problems arise, they should be raised with the Head of Paid Service.

10. Officer Appointments

- 10.1 Appointment of the Head of Paid Service (Managing Director) and Statutory Officers are made by Full Council. Appointments of Corporate Directors are made by the Senior Appointments Committee.
- 10.2 Staffing matters (including discipline, training, setting and monitoring performance) are dealt with by the relevant managers, though the relevant Cabinet Member may agree the performance targets in the case of Corporate Directors, Heads of Service and Service Managers.
- 10.3 Councillors wishing to comment on an individual officer's performance and/or deficiencies are usually expected in the first instance to raise the matter with Head of Paid Service in the case of a Corporate Director, the relevant Corporate Director in the case of a Head of Service or Manager and the relevant Head of Service or Manager in the case of other members of staff.
- 10.4 Specific provisions apply in relation to disciplinary action against the three Statutory officers (Head of Paid Service, Monitoring Officer, S151 Officer) (see Officer Employment Procedure Rules in Part 5 of the Constitution).

PROTOCOL ON COUNCILLOR/EMPLOYEE RELATIONS

Gloucester City Council (“the Council”) adopted this protocol on xxxx to come into force on xxxx. The protocol forms part of the local framework for standards of behaviour approved by the Audit and Governance Committee. Monitoring of compliance with this protocol is the responsibility of the Audit and Governance Committee, the Monitoring Officer and the Head of Paid Service.

1. Introduction

1.1 Essential to the successful working of the City Council is a relationship between Councillors and Employees of the Council which is characterised by partnership working, mutual respect, openness, honesty and trust. The purpose of this protocol is to provide guidance to Councillors and Employees on their respective roles and responsibilities and on their relationship with each other.

1.2 Guiding all aspects of relationship between Councillors and Employees are the following principles, some of which are enshrined in law:-

- **selflessness** - serving only the public interest
- **honesty and integrity** - not allowing these to be questioned; not behaving improperly
- **objectivity** - taking decisions on merit
- **accountability** - to the public; being open to scrutiny
- **openness** - giving reasons for decisions
- **personal judgement** - reaching one’s own conclusions and acting accordingly
- **respect for others** - promoting equality; avoiding discrimination; respecting others (Councillor/Councillor, as well as Councillor/Employee)
- **duty to uphold the law** - not acting unlawfully
- **stewardship** - ensuring the prudent use of the Council’s resources
- **leadership** - acting in a way which has public confidence

2. The Roles of Councillors and Employees

2.1 Councillors are accountable to the electorate and serve as long as their term of office lasts. Employees are responsible to the Council as a whole and carry out the Council’s work under the direction of the Council, Executive and Committees. The roles are different but complimentary.

2.2 **Councillors** are responsible for:

- a) political leadership;

- b) initiating and determining the policy of the Council, determining the core values of the Council and approving the Council's policy framework, strategic plans and budget;
 - c) advocating for their constituents;
 - d) accounting for the delivery of Council services;
 - e) scrutinising Council services;
 - f) promoting partnership working;
 - g) representing the Council on local, regional and national bodies
 - h) respecting the impartiality of the Council's employees.
- 2.3 Councillors should not involve themselves in the day-to-day management of Council services or issue orders or directions to employees.
- 2.4 Cabinet Members, Chairs and Vice Chairs have additional responsibilities which make the relationship with employees more complex. In these circumstances extra care should be taken to respect the impartiality of employees and Councillors must not ask employees to engage in work of a party political nature or compromise their position with other Councillors, political groups or other employees.
- 2.5 Cabinet Members can have individual executive decision-making powers. They may determine matters within their portfolio, but implementation of their decisions is the responsibility of employees of the Council.
- 2.6 **Employees** are responsible for:
- a) providing professional advice and information to Councillors in developing and implementing policy and in decision-making;
 - b) implementing the decisions of Councillors;
 - c) managing the day-to-day administration of the Council;
 - d) taking managerial and operational decisions within the Council's Scheme of Delegation;
 - e) providing information to and consulting with local people about Council services
 - f) remaining impartial at all times.
- 2.7 The Head of Paid Service, Monitoring Officer and Chief Financial Officer (Section 151 Officer) have responsibilities in law over and above their obligations to the Council and its Councillors, and they must be allowed the time, authority and resources to discharge those responsibilities.
- 2.8 When employees prepare reports for Councillor decision, they have a duty to give advice in accordance with their professional expertise and in accordance with professional codes of conduct, ethical guidelines and the law. In some situations, employees will be under a duty to submit a report on a matter or in a particular way. Employees should have their professional integrity and impartiality respected and should not to be influenced or required to restrict

options, withhold information or make recommendations to the Cabinet or a Committee which they cannot support professionally.

3. Working Relationships – reciprocal expectations

3.1 Councillors should expect the following from council employees

- a) a commitment to the Council as a whole and not to any political group;
- b) honesty, openness, trust and respect;
- c) performance of their duties effectively and efficiently;
- d) a working partnership which understands the respective roles;
- e) timely responses to enquiries and complaints;
- f) impartial professional advice;
- g) regular and up to date information on matters which are appropriate and relevant to their needs;
- h) awareness of and sensitivity to the political environment and its pressures;
- i) courtesy and appropriate confidentiality;
- j) training and development in order to carry out their role effectively;
- k) relationships with Councillors that will not be used by employees to advance their personal interests or influence decisions improperly;
- l) compliance with the Officer Code of Conduct and this Protocol;
- m) support for the role of Councillors as the local representatives of the authority, within any scheme for Councillor support approved by the authority.

3.2 Employees should expect the following from Councillors:

- a) a working partnership which understands the respective roles;
- b) honesty, openness, trust and respect;
- c) clear political leadership and direction;
- d) courtesy and appropriate confidentiality;
- e) no bullying or undue pressure;
- f) relationships with employees that will not be used by Councillors to advance their personal or political interests or to influence decisions improperly;
- g) compliance with the Councillor Code of Conduct and this Protocol;
- h) to inform the Monitoring Officer of any relationships which might be seen as unduly influencing their work and role.

3.2 Close personal familiarity between Councillors and employees can be misinterpreted and prove embarrassing to other Councillors, employees or others. Care should be taken to avoid inappropriate close personal familiarity.

3.3 Councillors must be mindful that employees cannot respond to criticism in the same way that other Councillors can, and they should temper their remarks accordingly. This is particularly important when Councillors are dealing with less senior staff.

3.4 Councillors should bear in mind that unless there is an on-going relationship with a particular member of staff in relation to casework or an application they are dealing with, Councillors are expected to deal in the first instance with the Head of Paid Service, Corporate Directors and Heads of Service. This is because:-

- a) they are in a better position to provide authoritative information or advice;
- b) they need to be aware of any questions or complaints raised by Councillors;
- c) they can respond to Councillors' requests, for example, by making a judgement as to whether action may be taken under officers' delegated authority;
- d) they are in a better position to consider the resource demands of the issue and address or manage the Councillor's expectations;
- e) they can investigate and deal with any shortcomings there might be at the point of service delivery; and
- f) it avoids the possibility that employees below the Heads of Service may be 'intimidated' or even 'bullied' by over-enthusiastic Members.

4. Meetings

4.1 Councillors and employees will frequently encounter each other at meetings held to conduct Council business. The following basic rule will apply in all situations.

4.2 At all times Councillors and employees will show respect to one another. Although Councillors are entitled to question officers at meetings, they must avoid personal attacks and ensure that criticism is constructive and well founded. Employees will expect to have the opportunity to respond appropriately.

4.3 Whenever a formal public meeting is organised to consider a local issue, all the Councillors representing the ward(s) affected should be invited to attend the meeting. When the Council undertakes any form of consultative exercise on a local issue, the Ward Councillors should always be notified at the outset of the exercise and be provided with relevant information in a timely manner.

5. Working with Political Groups

5.1 Political groups have an important role to play in the development of policy and the political management of the authority. Whilst the operation of the political groups must be supported by the Council, it is important that employees remain politically neutral, and avoid being identified with any political group.

5.2 Employees will give professional advice and information to any Councillor or group of Councillors upon request and to the best of their ability. But it must be remembered that there will be occasions when information cannot be shared or

provided. Where this occurs Councillors should receive a clear explanation of the reasons.

- 5.3 If the resource implications of providing information are considerable, the Head of Paid Service will those concerns with the leaders of the political groups and agree what information can be provided.
- 5.4 Professional advice and analysis will be made available to opposition party groups, for example in relation to preparation of amendments to the budget prior to the annual budget meeting of the Council. Where an opposition party requests significant work by officers that is likely to disrupt other planned work, the Head of Paid Service will be advised and will decide what employee resources can be committed.

6. Correspondence

- 6.1 Correspondence (including emails) between Councillors and employees shall not normally be copied by the employee to any other Councillor without the permission of the Councillor in correspondence. However, where correspondence concerns Council policy or, the interpretation of Council policy, a copy may be sent to the relevant Cabinet Member or Chair of Committee and the Councillor in correspondence should be made aware.
- 6.2 Councillors should consider and limit the number of employees and third parties copied into correspondence (including emails). Inappropriately broad circulation of correspondence can lead to a wasteful duplication of effort and increases the risk of a breach of data security or confidentiality.
- 6.3 Under no circumstances should 'silent copies' be made available to any third party, and copies should only be sent to third parties with the express permission of the Councillor in correspondence.
- 6.4 Official letters on behalf of the Council should normally be sent out in the name of the appropriate Officer of the Council, rather than in the name of a Councillor. It may be appropriate in certain circumstances (e.g. representations to a Government Minister) for a letter to appear in the name of a Councillor, but this should be the exception rather than the norm. Letters which, for example, create obligations or given instructions on behalf of the Council should never be sent out in the name of a Councillor.

7. Reports to Political Groups

- 7.1 Political groups may request the Head of Paid Service or a Corporate Director to prepare written reports on matters relating to the Council for consideration by the group.

- 7.2 Such reports will be factual and may identify and assess the options, they will not deal with any political implications arising from the subject matter and recommendations will not be made to the political group.
- 7.3 Where a report is prepared for a political group, the Head of Paid Service will advise all other groups that the report has been prepared and will provide a copy to any group on request.

8. Reports to Cabinet and Individual Cabinet Members

- 8.1 Cabinet and individual Cabinet Members will take decisions in accordance with the Constitution (Part 4, Cabinet Procedure Rules).
- 8.2 Individual Cabinet Members, the Head of Paid Service, Corporate Directors, Heads of Service, the Monitoring Officer and the Chief Financial officer shall have the right to submit reports to the Cabinet for consideration.
- 8.3 Reports must have regard to:
- a) the requirements of the Cabinet Procedure Rules (as incorporated in the Constitution);
 - b) the requirements of the Access to Information Procedure Rules (as incorporated in the Constitution);
 - c) the budget and policy framework (as incorporated in the Constitution)
 - d) the Council Scheme of Delegation (as incorporated in the Constitution)
 - e) any legal requirement for a report to be in the name of an officer of the Council, otherwise once a report has been through the Cabinet Briefing Process, the report shall be presented in the name of the appropriate Cabinet Member.
 - f) Where the employee report author has given different advice or made different recommendations this shall be reflected in the report.

9. Officer Attendance

- 9.1 Any political group may request the Head of Paid Service or a Corporate Director to attend a meeting of the group to advise on any matter relating to the Council.
- 9.2 The Head of Paid Service or Corporate Director may arrange for the attendance of a representative in her or his stead, or may decline to attend or provide representation where s/he believes that the particular issue is of such a political nature that it would be inappropriate to attend.
- 9.3 Any advice or information provided at or as a consequence of the meeting will be factual and may identify and assess options, it will not deal with any political implications arising from the advice and recommendations will not be made to the political group.

- 9.4 Where an employee attends a political group meeting, the Head of Paid Service will advise all other groups that the employee has attended and the subject.
- 9.5 Employees attending a political group meeting will respect the confidentiality of any matter that they hear in the course of attending the meeting.

10. Councillors' Access to Information and Council Documents

- 10.1 Access to accurate and up-to-date information and professional advice is vital to enable Councillors to fulfil their elected role effectively. However, access to information and protection of individual and community rights is an increasingly sensitive area, and there is a great deal of legal regulation, both common law and statutory, which governs the rights and restrictions relating to Councillors' access to Council-held information.
- 10.2 Councillors have a right to approach the Managing Director, Corporate Directors or Heads of Service to ask for information or seek advice. This right extends only to information, explanation and such advice as they may reasonably need in order to assist them in discharging their role as a Councillor.
- 10.3 The legal rights of Councillors to inspect Council documents are covered partly by statute and partly by common law.
- 10.4 Councillors have a statutory right to inspect any Council documents which contain material relating to any business which is to be transacted at a Council, Cabinet, committee or sub-committee meeting. Such right applies irrespective of whether the Councillor is a member of the body concerned and applies not only to reports which are to be submitted to the meeting in question, but also to any relevant background papers. This statutory right does not, however, apply to documents relating to items which appear within the confidential or exempt part of any agenda for a meeting.
- 10.5 There is no 'roving commission' for a Councillor to examine books and documents and the common law right of Councillors is based on the principle that Councillors have a prima facie right to inspect Council documents so far as access to the document in question is reasonably necessary to enable the Councillor to perform his/her duties. This is commonly known as "the need to know" principle.
- 10.6 To exercise the common law right, Councillors must, therefore, demonstrate a need to know taking into account the requirements of the Data Protection Act 2018 (and related legislation) and the Human Rights Act 1998. In matters of concern on this issue, it is for the employee responsible for holding the information to determine whether an individual Councillor has a need to know, and they or the Councillor requesting the information should seek advice from the Monitoring Officer in particular cases of difficulty.

10.7 Where a Councillor requests to see documents containing confidential information, the Councillor will be required to justify the request in specific terms. Certain documents will not be available to Councillors. These documents may contain information which is covered by statute or may be documents containing sensitive material, the release of which might be prejudicial to the Council's interests.

10.8 Any Council information provided to a Councillor must only be used by the Councillor for the purpose for which it was provided (i.e. in connection with the proper performance of the Councillors' duties) and is subject to the obligations in the Councillor Code of Conduct.

11. Working with Overview and Scrutiny

11.1 The Overview and Scrutiny Committee can require Cabinet Members and senior officers to appear before the Committee and answer questions, but arrangements may be made, if appropriate, for other Councillors or employees to attend to assist the Committee with its work.

11.2 Council has agreed that there will be no formal separation of employee support between the Executive and Scrutiny functions. The Head of Paid Service has overall responsibility for ensuring that staffing support for the Overview and Scrutiny function is appropriate and the Overview and Scrutiny Committee shall take into consideration any resource issues when determining its Work Programme. Any conflicts of interest which may arise in having to serve both Executive and Scrutiny should be raised with the Head of Paid Service.

12. Officer Appointments

12.1 The appointment of the Head of Paid Service (Managing Director), Monitoring Officer and Chief Financial Officer (section 151 Officer) shall be made by Council.

12.2 The appointments of Corporate Directors shall be made by the Senior Appointments Committee.

12.3 The appointment of all the other employees of the Council shall be made by the Managing and Corporate Directors or staff authorised by the Council's scheme of delegation to make appointments

12.4 Specific provisions apply in relation to disciplinary action against the three Statutory officers (Head of Paid Service, Monitoring Officer, Chief Finance Officer) (see Officer Employment Procedure Rules in Part 5 of the Constitution).

12.5 All other staffing matters (including discipline, training, setting and monitoring performance) are the responsibility of the relevant managers, though the relevant Cabinet Member may stipulate performance targets in the case of the

Managing Director, Corporate Directors, Heads of Service and Service Managers.

- 12.6 Councillors wishing to comment on an individual employee's performance shall raise the matter with Head of Paid Service in the case of a Corporate Director, the relevant Corporate Director in the case of a Head of Service or Manager and the relevant Head of Service or Manager in the case of other members of staff.

13. Compliance with this Protocol

- 13.1 Concerns about a failure to comply with this Protocol should be raised in the first instance with the Head of Paid Service or the Monitoring Officer.
- 13.2 Any breach of this protocol by a Councillor may result in a breach of the Councillor Code of Conduct and the arrangements established by the Council to deal with such breaches will apply.
- 13.3 Any breach of this protocol by an employee of the Council may be a disciplinary matter and the Council's disciplinary procedures will apply.

This page is intentionally left blank

Gloucester City Council
Audit and Governance Work Programme 2019-2020
(Updated 3rd January 2020)

Item	Format	Committees	Lead Officer	Comments
20th January 2020				
1. KPMG – Grants Audit Report	Written Report	Audit and Gov	KPMG	Part of the Committee’s annual work programme
2. External Audit Plan	Written Report	Audit and Gov	Deloitte	Part of the Committee’s annual work programme
3. Internal Audit Purpose, Authority, Role and Function	Written Report	Audit and Gov	Head of IA&RM Shared Service	Requested
4. Annual Governance Statement 2018/19 Improvement Plan - Progress Report	Written Report	Audit and Gov	Head of IA&RM Shared Service	Requested
5. Risk Management Policy and Strategy 2020-23	Written Report	Audit and Gov	Head of IA&RM Shared Service	Requested
6. Internal Audit Activity Progress Report 2019/20	Written Report	Audit and Gov	Head of IA&RM Shared Service	Part of the Committee’s annual work programme
7. Outside Bodies Draft Report	Written Report	Audit and Gov Council/Cabinet	Monitoring Officer	A&G Audit Study Group
8. Revised Terms of Reference and Appointment of an Independent Member	Written Report	Audit and Gov Cabinet	Head of IA&RM Shared Service	Requested
9. Councillor and Employee Codes of Conduct and related Protocol on Councillor/Employee Relations	Written Report	General Purposes Audit and Gov Council	Monitoring Officer	
10. Audit and Governance Committee Work Programme	Written Report	-----	-----	Standing Agenda Item
9th March 2020				

Page 223

Agenda Item 15

1. Treasury Management Strategy	Written Report	Audit and Gov Cabinet Council	Head of Policy and Resources	Part of the Committee's annual work programme
2. Annual Risk Management Report 2019/20	Written Report	Audit and Gov	Head of IA&RM Shared Service	Part of the Committee's annual work programme
3. Internal Audit Activity 2019/20 – progress report.	Written Report	Audit and Gov	Head of IA&RM Shared Service	Part of the Committee's annual work programme
4. Internal Audit Plan 2020-21	Written Report	Audit and Gov	Head of IA&RM Shared Service	Part of the Committee's annual work programme
5. Annual Report of the Audit and Governance Committee	Written Report	Audit and Gov	Head of IA&RM Shared Service	Part of the Committee's annual work programme
6. Audit and Governance Committee Work Programme	Timetable	-----	-----	Standing Agenda Item

The Work programme for 2020-2021 will be circulated in the new Civic year.