

## Notice of Meeting

# Audit Committee

**Date:** Monday 12 December 2022

**Time:** 5.30 pm

**Venue:** The Annexe, Crosfield Hall, Broadwater Road, Romsey, Hampshire,  
SO51 8GL

**For further information or enquiries please contact:**

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**Legal and Democratic Service**

Test Valley Borough Council,  
Beech Hurst, Weyhill Road,  
Andover, Hampshire,  
SP10 3AJ

[www.testvalley.gov.uk](http://www.testvalley.gov.uk)

The recommendations contained in the Agenda are made by the Officers and these recommendations may or may not be accepted by the Committee.

**PUBLIC PARTICIPATION SCHEME**

*If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.*

### **Membership of Audit Committee**

#### **MEMBER**

#### **WARD**

Councillor C Borg-Neal (Chairman)

Andover Harroway

Councillor T Swain (Vice-Chairman)

Chilworth, Nursling & Rownhams

Councillor C Donnelly

Andover Downlands

Councillor N Gwynne

Romsey Cupernham

Councillor M Maltby

Chilworth, Nursling & Rownhams

Councillor J Parker

Romsey Tadburn

## **Audit Committee**

Monday 12 December 2022

### **AGENDA**

**The order of these items may change as a result of members of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 26 September 2022**
- 6 External Audit Update 5 - 39**

To receive an update from Ernst & Young on the progress of the audit of the Council's 2021/22 Statement of Accounts.
- 7 Test Valley Borough Council Annual Report on Complaints 2021/22 40 - 72**

The Committee is requested to consider the annual complaints report for 2021/22.
- 8 Report of the use of the Regulation of Investigatory Powers Act 2000 73 - 75**

To update Members as to the Council's use of its powers under the Regulation of Investigatory Powers Act 2000.
- 9 Internal Audit Progress Report to 30 November 2022 76 - 99**

To outline the work undertaken and progress against the Internal Audit Plan for 2022/23 by Internal Audit to 30 November 2022

**10 Audit Committee Work Programme**

**100 - 103**

To consider the work programme and Terms of Reference of the Audit Committee for the coming year.

## ITEM 6

## External Audit Update

Report of the Head of Finance and Revenues

### Recommended:

**That the Draft Audit Results Report, as shown in the Annex to the report, be noted.**

#### SUMMARY:

- The audit of the 2021/22 Statement of Accounts is currently being undertaken by the Council's external auditors, Ernst & Young.
- The auditors will provide an update on the progress of the audit to the Committee.

### 1 Introduction

- 1.1 Each year, the Council's Statement of Accounts is subject to an external audit. The Council's auditor is Ernst & Young (EY).
- 1.2 Throughout the planning and substantive phases of the audit EY present reports to the Audit Committee.
- 1.3 The previous meeting received the Audit Planning Report and initial draft Audit Results Report.
- 1.4 The Committee's work programme had shown that the final audit report would be brought to this meeting. However, there remain a small number of outstanding matters that mean the audited accounts cannot be submitted for approval to this meeting; those reasons are explained in the Annex.
- 1.5 As the audit has not yet been concluded, a progress update together with an updated draft Audit Results Report will be introduced to the committee by representatives from EY.
- 1.6 The Council has published the required notice on its website about the completion of the audit extending beyond the 30<sup>th</sup> November deadline.

### 2 Risk Management

- 2.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

### 3 Resource Implications

- 3.1 The cost of the annual audit is included in the approved budget. There are no other resource implications arising from this report.

**4 Legal Implications**

4.1 There are no legal implications arising from the recommendations in this report.

**5 Conclusion and reasons for recommendation**

5.1 Work is well-progressed on the audit of the Council’s 2021/22 statement of accounts. Members are presented with a progress update and opportunity to discuss with the Council’s external auditor matters related to the audit of the accounts.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
Officer:	Carl Whatley	Ext:	8540
Report to:	Audit Committee	Date:	12 December 2022

Test Valley Borough Council

# Draft Audit results report

Year ended 31 March 2022

December 2022

# Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Panel members and management of Test Valley Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Panel, and management of Test Valley Borough Council those matters we are required to state in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Panel members and management of Test Valley Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



# 01 Executive Summary

## Executive Summary

### Scope update

In our audit planning report, we provided you with an overview of our audit scope and approach for the audit of the financial statements. Due to the timing of the Audit Planning Report, there have been no changes to the planned approach of the audit.

### Status of the audit

Our audit work in respect of the Council's opinion is underway. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- PPE and IP Valuations
- NDR Appeals Provision
- Accounting for Nitrate Credits
- Final Review of Work
- Receipt of the Letter of Representation;
- Receipt of the final signed and approved Statement of Accounts.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix A.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence our final audit opinion. We will provide a verbal update to this position at the December Committee.

### Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- *Financial sustainability*  
How the Council plans and manages its resources to ensure it can continue to deliver its services;
- *Governance*  
How the Council ensures that it makes informed decisions and properly manages its risks; and
- *Improving economy, efficiency and effectiveness:*  
How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

## Executive Summary

### Status of the audit – Value for Money

At the time of writing this report, our planning procedures for our initial VFM (value for money) risk assessment remain ongoing. However, based on the wider planning procedures we have completed to date, we have not identified any significant weaknesses in your arrangements.

We will provide an update a verbal update to the Committee to confirm whether any further risks have been identified, and the work which has been undertaken to address them.

### Audit differences

At the time of this report we note two audit differences

- PPE Additions and Debtors (£111k)
- NDR Provision (£1,402k)

Details of these can be found in Section 3 Audit Differences

We note also a few Disclosure errors have been identified but there are not material.

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### Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We are still to perform the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the instructions are yet to be issued for 2021/22. We expect that the Council will remain below the de-minimis for full procedures, which in the prior year was set at £2bn. Therefore, we anticipate having no issues to report. However, we will not be able to issue the audit certificate at the same time as the audit opinion, as we cannot certify the completion of the audit until this work is completed.

We have no other matters to report.

## Executive Summary

### Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of Test Valley Borough Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised below, with the details provided within the "Areas of Audit Focus" section of this report.

Issue	Summary finding
Fraud Risk: Misstatements due to fraud or error	Work in this area is complete and there are no issues to report.
Fraud Risk: Risk of fraud in revenue and expenditure recognition – inappropriate capitalisation of revenue expenditure	Work in this area is substantially complete. PPE Additions: Testing completed. One audit difference of £111k identified. REFCUS: Testing completed and no issues to report.
Significant Risk: Accounting for Nitrate Credits	We note that this is a new area of accounting and disclosure. Therefore we have engaged an EY reporting specialist to look at this area and report on our expected approach. At the time of writing this report, we have communicated the outcome of this report with management however we note that we are waiting for CIPFA to conclude on the treatment for this area.
Other area of audit focus: Valuation of Land and Buildings in Property, Plant and Equipment (PPE) and Investment Properties (IP)	This work is currently underway with queries being raised to management and the external valuer. At the time of writing this report, we have received some responses from management but are yet to receive the responses from the external valuer.
Other Area of Audit Focus: Pension Liability Valuation	We have completed our work in this area, and identified a minor disclosure misstatement which management have agreed to update. We note that we are awaiting the receipt of the response letter from the pension fund auditor which will confirm if any issues have been identified.

 Executive Summary

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**Control observations**

We have adopted a fully substantive approach, so have not tested the operation of controls.

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

There are no matters we wish to report.

**Independence**

Please refer to Section 8 for our update on Independence.



## 02 Areas of Audit Focus

## Areas of Audit Focus

### Significant risk

#### Risk of fraud in revenue recognition - inappropriate capitalisation of revenue expenditure

##### What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

From our risk assessment, we have assessed that the risk manifests itself through the potential to inappropriately capitalise revenue expenditure to improve the financial position of the general fund.

Capitalized revenue expenditure can be funded through borrowing with only minimal MRP charges recorded in the general fund, deferring the expenditure for 30+ years when the borrowing is repaid. Alternately, other sources such as capital receipts or grants could be inappropriately used to finance the expenditure.

Inappropriate classification of revenue expenditure as REFCUS (revenue expenditure funded by capital under statute) could also have the same impact, incorrectly removing the spend from the general fund through applying statutory overrides.



##### What did we do?

Our approach focused on the following:

- ▶ We selected a sample of Property, Plant and Equipment (PPE) and Investment Property additions to test and confirm the item was appropriate to capitalise as per IAS 16 through agreement to evidence such as invoices and capital expenditure authorisations.
- ▶ We selected a sample of REFCUS items to test to confirm the appropriateness of the classification of these items
- ▶ When performing journals testing, we analysed entries that would be classed as high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised or reclassified as REFCUS.

##### What are our conclusions?

We tested a sample of PPE and Investment Property additions and noted one audit difference in relation to Property Additions for £111k.

We have also completed our testing in relation to REFCUS and have no issues to report.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions through our test of journals or our other audit procedures which appeared unusual or outside the Council's normal course of business.

## Areas of Audit Focus

### Significant risk

#### Misstatements due to fraud or error

##### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.



##### What did we do?

Our approach focused on:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- Assessing accounting estimates for evidence of management bias, and
- Evaluating the business rationale for significant unusual transactions.

Further to this, we have:

- Inquired of management about risks of fraud and the controls put in place to address those risks, as well as gaining an understanding the oversight given by those charged with governance of management's processes over fraud.
- We have considered the effectiveness of management's controls designed to address the risk of fraud.

##### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

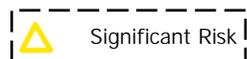
We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

We note that our specific journals testing is now complete and there are no issues to report.

## Areas of Audit Focus

### Significant risk

#### Accounting for Nitrate Credits



#### What is the risk?

In September 2020 the Department for Environment Food & Rural Affairs (DEFRA) announced the intention to set up a 'Nitrate trading' platform. The idea is that housing developers would be able to buy 'nitrate credits' to offset the footprint of new homes in areas particularly vulnerable to nitrate pollution. Credits could involve funding the creation of habitat like wetlands, meadows and woodland. Developers will need an 'Appropriate Assessment' of the development proposal if there is a likelihood to increase nitrogen loading into protected sites. A nitrogen budget must be calculated and if the site is not nitrate neutral then nitrate mitigation will be required. If this does not result in neutrality, then planning will be refused. The Government announced a pilot scheme in September 2020 to enable development on the Solent in Hampshire where development was prevented because of nitrate pollution to the Solent strait.

The Council has purchased Nitrate Credits within 2021/22. The nitrate credits will therefore need to be accounted for on the Council's balance sheet. The credits need to be valued using an appropriate basis. Given the scheme is new there is not yet an accepted accounting approach for valuation and disclosure of the credits and then how income should be recognised by the Council as the credits are sold.

We will therefore need to understand and agree the approach to accounting and disclosure of this in the 2021/22 financial statements, involving EY financial reporting specialists as necessary to support our work in this area.

#### What will we do?

We will:

- Ensure that the Nitrate Credits have been valued correctly and on an appropriate basis in the financial statements.
- Ensure the Council has appropriate Powers in place to be able to trade these credits
- Review and challenge the Council's accounting and disclosure assessment as part of our work. This will need to consider both whether the nitrate credits held by the Council should be carried as an asset on its balance sheet and how revenue is recognised in the financial statements as the credits are sold.

Given this is a new area where arrangements for accounting and disclosure are not yet clear have involved an EY financial reporting specialist to support our work. At the time of writing this report, we have communicated the outcome of this report with management however we note that we are waiting for CIPFA to conclude on the treatment for this area.

## Audit risks

### Other areas of audit focus

#### What is the area of focus?

Valuation of Property, Plant and Equipment (PPE) including Investment Property

Property, Plant and Equipment land and buildings (L&B) measured at Fair Value (FV) or Existing Use Value (EUV) and Investment Properties (IP) represent significant balances in the Council's accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Material judgemental inputs and estimation techniques are required to calculate the year-end L&B and IP balances held in the balance sheet.

As the Council's asset base is significant, and the outputs from the valuers are subject to estimation, there is a higher risk that L&B and IP may be under/overstated or the associated accounting entries incorrectly posted. We are required to undertake procedures on the use of experts and assumptions underlying fair value estimates.

The risk is heightened for assets that may have been impacted by the Covid-19 pandemic, such as traditional retail assets, commercial property or other sectors impacted by the lockdown restrictions and their impact on the economy.

#### What did we do?

We have:

- Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for IP. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- Reviewed assets not subject to valuation in 2021/22 to confirm that the remaining asset base is not materially misstated;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries have been correctly processed in the financial statements.

#### What are our conclusions?

At the time of writing this report, queries have been sent to both management and the external valuer in relation to PPE and IP Valuations.

We have received some responses from management in relation to these queries but are still waiting on a response from the external valuer.

## Audit risks

### Other areas of audit focus

#### What is the area of focus?

##### Valuation of Pension Liabilities (Local Government Pension Scheme)

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the balance sheet. At 31 March 2022 this totalled £57 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

In the previous year the pension liability disclosed in the accounts was impacted by national issues that necessitated an updated IAS 19 report from the actuary. It was also impacted by material changes to the value of pension assets at the year end, compared to the estimate made by the actuary to inform the original IAS 19 report.

#### What did we do?

In order to address this risk we carried out a range of procedures including:

- liaising with the auditors of Hampshire County Council Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Test Valley BC.
- assessing the work of the LGPS Pension Fund actuary (AON Hewitt) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the NAO for all Local Auditors, and considering any relevant reviews by the EY actuarial team; and
- reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19, including any updates to the value of year end assets.

In response to the updated requirements of ISA540, we modified our planned approach and undertook alternate procedures to create an auditor's estimate on the gross pension liability.

#### What are our conclusions?

We have concluded that we could rely on the work of the Pension Fund actuary, and assessed their assumptions as reasonable. The values and entries from the actuarial report were correctly reflected in the Council's financial statements.

The results of the EY pensions specialist has confirmed the actuarial estimate of the gross pension liability to be accurate within a reasonable range.

We note that we have not yet received the response letter from the Pension Fund auditors in relation to the pension asset valuations and other work, but their latest update is that there are no material issues identified.



# 03 Audit Differences



## Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of adjusted and unadjusted differences

We highlight the following misstatements greater than our nominal value of £69k that were identified during the course of our audit. We note that we have not yet received the updated Accounts from management and therefore the classification of these adjustments i.e. uncorrected or corrected may change.

#### Uncorrected misstatements

Overstatement of Kier Loan Debtor/Understatement of Investment Property AUC of £111k.

Overstatement of NDR Appeals Provision of £1,402k (please note that subsequent information has indicated that the NDR provision is substantially understated – see Appendix A for more detail)

#### Corrected misstatements

- No items to report

#### Amendments to disclosures

- Minor Note adjustments noted in relation to Note 11, Note 14 and Note 21.



# 04 Value for Money

 Value for money

**The Council's responsibilities for value for money (VFM)**

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

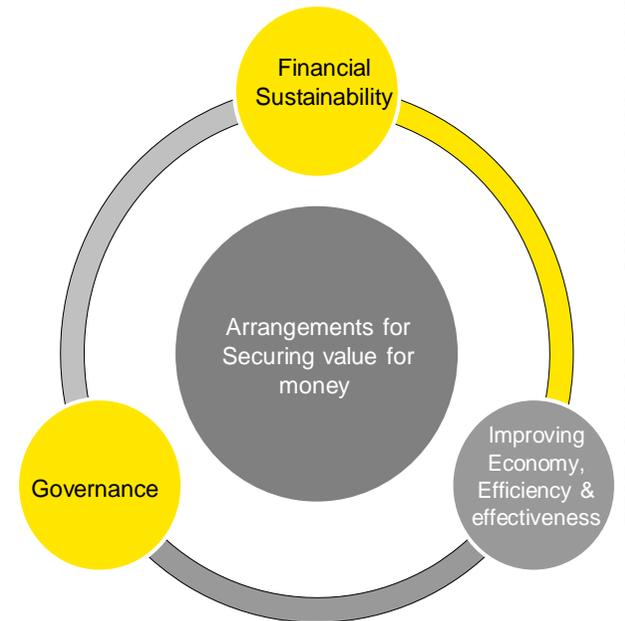
As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the CIPFA Code of Practice on Local Authority Accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

**Risk assessment and Status of our VFM work**

At the time of writing this report, our planning procedures for our initial VFM (value for money) risk assessment remain ongoing. However, based on the wider planning procedures we have completed to date, we have not identified any significant weaknesses in your arrangements.

We will update the Committee once our risk assessment is complete to confirm whether any further risks have been identified, and the work which has been undertaken to address them.

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# 05 Other reporting issues

## Other reporting issues

### Other reporting issues

#### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2021/22 with the audited financial statements

- Financial information in the Narrative Statement and published with the financial statements was consistent with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

- We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

#### Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office. We are unable to complete the WGA procedures as the NAO has yet to issued the group instruction as HM Treasury have yet to issue the guidance to Local Authorities.

#### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Council, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

#### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Test Valley Borough Council's financial reporting process. We have no other matters to report.



06

# Assessment of Control Environment



# Assessment of Control Environment

## Financial controls

It is the responsibility of the Test Valley Borough Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Test Valley Borough Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention



07

Independence

## Appendix A

### Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table below.

	Planned fee 2021/22	Final Fee 2020/21
	£	£
Scale Fee	40,679	40,679
Scale Fee Rebasing (note 1)	25,612	25,612
Scale Fee Variation (note 2)	1,828	15,165
Scale Fee Variation - changes in the Code of Audit Practice and Auditing Standards (note 3)	8,587	8,587
<b>Total fees</b>	<b>76,706</b>	<b>90,043</b>

We note that at this stage, the above fees are estimations and are subject to change based on any new information/issues arising and the PSAA rates. All fees exclude VAT.

2021/22 Fees:

Note 1: Proposed Scale Fee Rebasing: this relates to our scale fee rebasing for the audit, to take into account changes in professional and regulatory requirements to that date. These have been raised in prior year audits and as these are ongoing requirements, we have included the resource impact again in our 2021/22 requested fees. This is the same request that has been submitted in the prior year.

Note 2: This figure also includes a variation to the scale fee for items specific to the audit year where we will be submitting a request for an additional fee due to additional work being undertaken by the audit team. For 2021/22 it includes work undertaken on:

- New Significant Risk: Nitrate Credits (estimated £1,223)
- Work of EY expert to calculate an auditors estimate of the pension liability (estimated £605)

Note 3: This figure shows the impacts of the NAO's 2020 Code of Audit Practice, and the revised ISA540 on estimates. PSAA communicated fee ranges for each type of client, and our assessed impact for Test Valley BC is at the bottom of those ranges. Our estimate is based on a roll-forward of the submission to PSAA from 2020/21.

At the time of writing this report PSAA have not yet determined the final fee for 2020/21.



## Independence

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The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## Other communications

### EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2021:

[EY UK 2021 Transparency Report | EY UK](#)



# 08 Appendices

## Appendix A

# Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
PPE and IP Valuations	Initial queries have been sent to Management and the External Valuer in relation to PPE and IP valuations. We have received some responses from management but are yet to receive the responses from the external valuer. Once responses to these queries have been received, we will need to work through these and review the reasonableness of the valuations.	EY and Management
NDR Appeals Provision	Initial audit work identified queries in relation to the NDR Appeals Provision calculation. This was pushed back to Management and Management identified that incorrect data had been used in the calculation and therefore this needed to be re-worked. This resulted in an adjustment of £1.4m to the NDR Provision. However, since then management have informed us that subsequent information indicates that the NDR Provision is substantially understated. Management are currently working through the adjustment needed.	EY and Management
Accounting for Nitrate Credits	EY Financial Transaction specialists have provided a report to audit teams documenting a consistent approach to Nitrate Credits, The outcome of this has been communicated with management however we note that we are waiting for CIPFA to conclude on the treatment for this area.	EY and Management
Receipt of Letter of Representation	Letter of Representation to be signed before the signing of the Audit. Once we are ready to sign, we will discuss the steps to finalise this with management.	EY and Management
Receipts and Review of Final Accounts	Once audit work has been finalised, we will need to receive the final Accounts from Management and check these for any adjustments.	EY and Management

 Appendix A

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## Outstanding matters

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on remain to be finalised and audited.

We note that a verbal update can be provided at the December Audit Committee.

## Appendix B

# Required communications with the Audit Committee

We have detailed the communications that we must provide to the Audit Committee.

Required communications	 What is reported?	 Our Reporting to you  When and where
Terms of engagement	Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> <li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Significant difficulties, if any, encountered during the audit</li> <li>• Significant matters, if any, arising from the audit that were discussed with management</li> <li>• Written representations that we are seeking</li> <li>• Expected modifications to the audit report</li> <li>• Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report Auditor's Annual Report

 Appendix B

## Required communications with the Audit Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>• Whether the events or conditions constitute a material uncertainty</li> <li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>• The adequacy of related disclosures in the financial statements</li> </ul>	Audit results report
Misstatements	<ul style="list-style-type: none"> <li>• Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>• The effect of uncorrected misstatements related to prior periods</li> <li>• A request that any uncorrected misstatement be corrected</li> <li>• Material misstatements corrected by management</li> </ul>	Audit results report
Subsequent events	<ul style="list-style-type: none"> <li>• Enquiries of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements</li> </ul>	Audit results report
Fraud	<ul style="list-style-type: none"> <li>• Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>• Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>• Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements</li> </ul> </li> <li>• The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>• Any other matters related to fraud, relevant to Audit Committee responsibility</li> </ul>	Audit results report

 Appendix B

## Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Related parties	<ul style="list-style-type: none"> <li>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</li> <li>Non-disclosure by management</li> <li>Inappropriate authorisation and approval of transactions</li> <li>Disagreement over disclosures</li> <li>Non-compliance with laws and regulations</li> <li>Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>The principal threats</li> <li>Safeguards adopted and their effectiveness</li> <li>An overall assessment of threats and safeguards</li> <li>Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communication whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	Audit Planning Report and Audit Results Report

 Appendix B

## Required communications with the Audit Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> <li>Management's refusal for us to request confirmations</li> <li>Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	Audit results report
Internal controls	<ul style="list-style-type: none"> <li>Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit results report

 Appendix B

## Required communications with the Audit Committee (continued)

			 Our Reporting to you
Required communications	 What is reported?	 When and where	
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report	
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report	
Auditors report	<ul style="list-style-type: none"> <li>Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit results report Auditor's Annual Report	
Fee Reporting	<ul style="list-style-type: none"> <li>Breakdown of fee information when the audit plan is agreed</li> <li>Breakdown of fee information at the completion of the audit</li> <li>Any non-audit work</li> </ul>	Audit planning report Audit results report	
Value for Money	<ul style="list-style-type: none"> <li>Risks of significant weakness identified in planning work</li> <li>Commentary against specified reporting criteria on the VFM arrangements, including any exception report on significant weaknesses.</li> </ul>	Audit planning report Audit results report Auditor's Annual Report	

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ED None

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## ITEM 7

# Test Valley Borough Council Annual Report on Complaints 2021/22

Report of the Head of Strategy and Innovation

### Recommended:

**That the Annual Report on Complaints 2021/22 be endorsed.**

#### SUMMARY:

- The Chief Executive and Services together dealt with 112 complaints under the Council's formal procedure, in the year 2021/22.
- The Local Government and Social Care Ombudsman (LGSCO) made preliminary enquiries about nine complaints relating to TVBC and undertook an investigation into two of these for the year ending 31 March 2022.

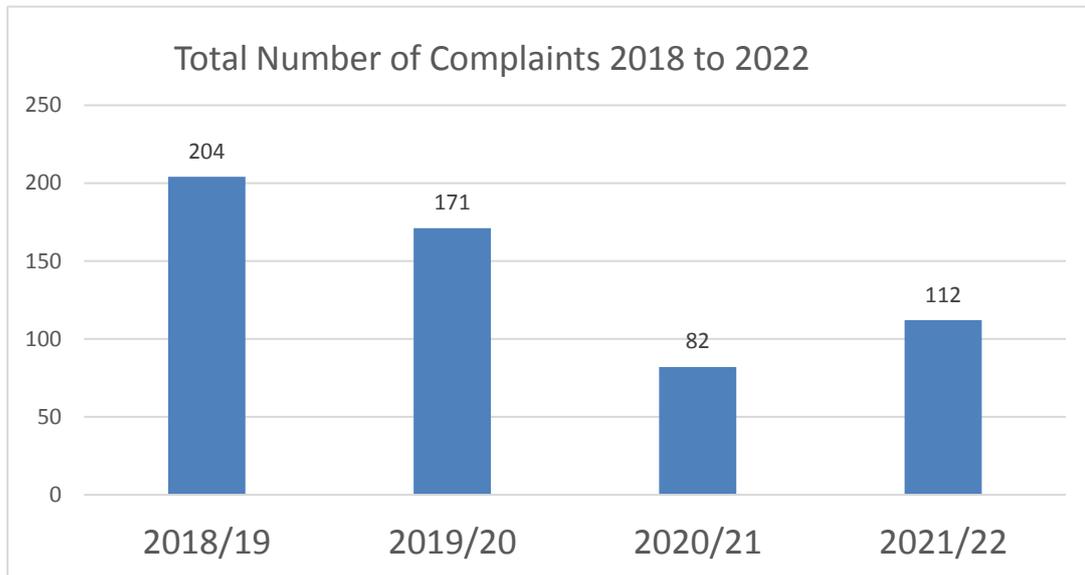
## 1 Background

- 1.1 To facilitate the periodic monitoring of complaints and review by this Committee each year, Services are required to prepare an annual summary of complaints dealt with under the Council's formalised complaints procedure (the year runs from 1 April 2021 to 31 March 2022).
- 1.2 A complaint is defined within the Council as: "*an expression of dissatisfaction, however made, about the standard of service, action or lack of action by the Council, or its staff, affecting an individual customer or group of customers.*"
- 1.3 Complaints recorded under the formal procedure (and dealt with in this summary report) do not include those 'first time' representations which were effectively requests for a service and dealt with as such. Accordingly, a new report of a missed bin, or a broken swing, for example, would not be registered and dealt with as a complaint, but as a request for action. Of course, in the event that the Council failed to respond to the 'request' appropriately, then that may generate a complaint. Appeals against the level of Housing Benefit or Council Tax Support awarded are not treated as complaints but are dealt with under a separate appeals route.

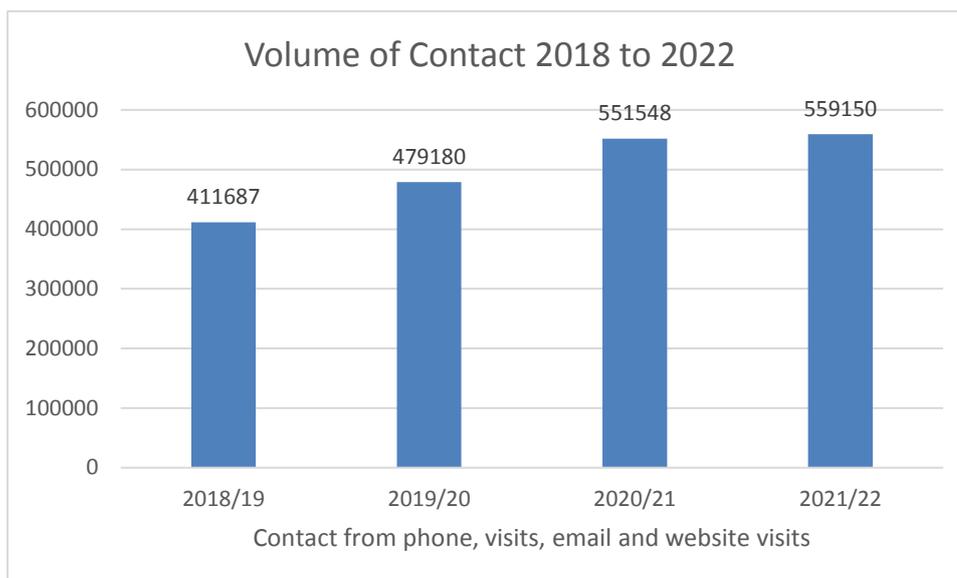
## 2 Complaints 2021/22

- 2.1 In the year 2021/22 there were 112 service level complaints (those dealt with by more than one service at the same time are counted as one complaint).
- 2.2 From these 112 complaints, 18 were escalated to the Chief Executive and nine were the subject of LGSCO enquiries, with two being investigated.

- 2.3 This year sees an increase of 30 complaints against the number received in the previous year (82 in 2020/21).



- 2.4 The number of complaints has increased this year, following a significant decrease in the previous year, which is likely to be attributed to the impact of the Covid-19 pandemic and UK lockdowns: the first lockdown was implemented from March – June 2020, a second in November 2020 and a third from December 2020 – March 2021. When placed in context with a population of almost 132,000, the 112 complaints represent a very small number of the population who have raised a complaint.
- 2.5 Customer Service Unit figures for the year indicate that they received 79,625 telephone calls, which has increased from 71,205 (an increase of almost 12%) against the previous year. The number of face-to-face contacts for the year was 3,357, a significant increase from the 992 in the previous year (a fourfold increase). However, it still remains significantly lower than the year prior to the pandemic, where 11,671 visits were made to CSU, again, attributed to the impact of the Covid-19 pandemic and lockdowns. There was a decrease in email contacts, 7,168 in 2021/22, compared to 8,110 in 2020/21.
- 2.6 The website received 469,000 unique visitors in the year (479,351 in 2020/21) (a unique visitor is an individual that uses the website). When combined with the number of contacts via the Customer Service Unit, the number of contacts with the council has increased by 1.4% in the year, as illustrated in the chart below.



2.7 The following table gives a breakdown of the number of complaints received. At seminars arranged by the LGSCO, representatives of the Institute of Customer Service have previously advised on the Customer Satisfaction Index and accepted customer service industry standards. The number of complaints account for less than 0.1% of overall transactions and this falls well within these industry standards.

Stage of complaints process	Number of complaints
Service level (Stage One)	112
Chief Executive escalations (Stage Two)	18 (from the 112 above)
Local Government and Social Care Ombudsman	9 (the LGSCO went on to investigate two of these)

2.8 The annual complaints logs contain personal information that should not be published. This corresponds with the Ombudsman’s view that it is neither necessary, nor desirable, for the Council to make such details public. As a result, the information provided in this report is largely statistical in nature. Councillors should refer to the Policy Manager if they require more details about a specific case. Full details of all the complaints are available and these can be provided to committee members on request. However, this information is strictly confidential.

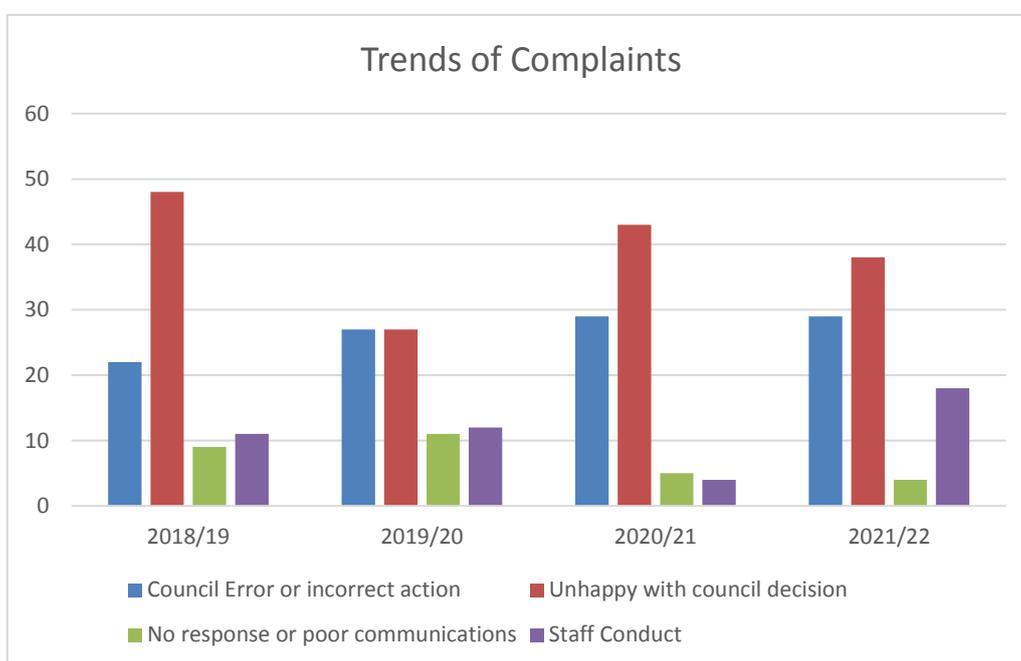
**2.9 Specific service considerations**

The number of complaints received can be broken down by service as follows:

<b>Service</b>	<b>Number of complaints</b>	<b>As a % overall</b>
<b>Environmental Services</b>	38	34
<b>Planning and Building</b>	25	22.3
<b>Housing and Environmental Health</b>	23	20.5
<b>Finance &amp; Revenues</b>	10	8.9
<b>Community and Leisure</b>	7	6.3
<b>Legal and Democratic</b>	6	5.3
<b>Property and Asset Management</b>	3	2.7
<b>IT</b>	0	0
<b>Strategy and Innovation</b>	0	0
<b>Planning Policy &amp; Economic Development</b>	0	0
<b>IT</b>	0	0
<b>Chief Executive escalations from the 112 service level complaints</b>	18	16.1

- 2.10 The number of complaints for each service does not, of course, necessarily provide a direct correlation with the standard of customer service provided, and these overall results cannot be treated in isolation. Each of these service results are heavily influenced by the type of business transacted by that service, for example, the number of customers facing transactions carried out, the public profile of the actions carried out by that service, and whether the customer has alternative formal routes for redress or appeal.
- 2.11 In addition, the council also receives positive feedback from residents and the mechanism for capturing and reporting on these is being developed for inclusion in future reports. Environmental Services received 77 positive comments in the year, and other services receive positive feedback and are putting in place measures to record this feedback. The volume of compliments or positive feedback received is often linked to the visibility of the service being provided, and some services are less visible to the public and therefore less likely to receive positive feedback but this has no reflection on the standard of service being provided.

- 2.12 Environmental Services receives the highest number of complaints, but these are very low when considering the number of interactions it has with the public. For example, in 2021/22, Environmental Services provided waste and recycling collections to around 57,194 properties within Test Valley each week. This totals around 2,974,088 collections a year. Using this example, the number of complaints received equates to just 0.001 per cent of collections alone.
- 2.13 In 2021/22, the Planning and Building Service dealt with 4,472 planning related matters, comprising of 2,133 planning applications, 466 pre-app enquiries, 619 condition discharge applications, 704 tree applications and 550 planning enforcement cases. Against this background, the figures show that the number of complaints received against the volume of work undertaken by the Planning and Building Service equates only to approximately 0.5% of the work carried out.
- 2.14 An analysis of the root cause of complaints received has shown that the majority of complaints can be categorised into four main types below (council error, unhappy with a decision of the council, no response or poor communications and staff conduct). Staff conduct is often listed by the complainant as the issue, but when undertaking an investigation, the cause of the complaint might be more aligned with the complainant being dissatisfied with a decision made by the council, and therefore being unhappy with a council action rather than staff misconduct.



### 3 Learning points

- 3.1 The Council treats every complaint as an opportunity to identify learning outcomes and improve service provision. Complaints are valuable not only in identifying service improvements but in improving public perception and satisfaction with the Council as a whole. Each complaint can be an opportunity to make changes or service improvements on a small or greater scale.

3.2 Examples of some of the learning points and improvements made as a result of complaints during 2021/22 include:

- Ensuring continuity in communication for ongoing complaints and keeping the complainant informed on updates.
- Speaking directly to the complainant to establish an understanding of the nature of the complaint
- Ensuring that all relevant parties are kept informed of progress on planning applications.
- Supporting staff to raise awareness of how to handle sensitive and confidential matters.
- Providing staff training
- An awareness of the limitations of some IT systems and the need to check housing applications manually

3.3 Appendices A to G are reports that provide details on a selection of complaints within different services, where lessons learnt, or service improvements, have been implemented. The report on the complaints escalated to the Chief Executive (Annex 8) details every complaint that progressed to Stage Two of the complaints process.

#### **4 Time taken to respond**

4.1 The Council's service standard is to respond in full to a complaint within 10 working days of receipt, or if this is not possible within that time (for example, because of the complexity of the complaint, the number of third parties involved or awaiting additional information), a holding response is sent to the customer. This standard was met in 76% of service complaints at Stage One (85 complaints), processed in the year 2021/22.

4.2 When a complaint is escalated to Stage Two, the Chief Executive has 15 working days to respond. This standard was met in 55% of escalated complaints (ten of the eighteen complaints). Where it is not possible to respond within this time frame, the complainants are made aware that there will be a delay.

#### **5 Unreasonable or unreasonably persistent complainants**

5.1 There are currently no complainants determined as vexatious.

#### **6 The Local Government and Social Care Ombudsman**

6.1 The Local Government and Social Care Ombudsman (LGSCO) produces an annual letter which is attached as Annex 9. Annex 10 contains a guide to understanding the statistics provided. The number of complaints or enquiries received by the LGSCO does not necessarily match with the number of complaints progressed to the LGSCO by the Council. This is because in some

cases, complainants approaching the LGSCO directly may be given advice or be referred to another organisation and the Council may not be aware of this. The LGSCO will also refer a complainant back to the Council if the complaint has not completed the local authority's complaints procedure and in some cases, the complainant may choose not to come back to the Council.

6.2 During the year 2021/22 the Council received nine initial complaint enquiries from the LGSCO, of which the LGSCO opted to investigate two.

<b>INVESTIGATED</b>			
<b>Date</b>	<b>Subject Matter</b>	<b>Action Taken</b>	<b>LGSCO Outcome</b>
<b>07/12/21</b>	A complaint about the process to complain about and investigate complaints about councillors. Councillor dissatisfied with the way in which complaints made about himself, and by himself, have been handled.	LGSCO decision was that the council was not biased or discriminatory and that the council followed due process. However, the LGSCO found that the process took too long, and that action should be taken to review the reasons for the delay and identify what improvements can be implemented.	Partially upheld.  For TVBC to put in place remedies to improve the process
<b>28/01/22</b>	Housing register application	LGSCO decision stated that the Council has now added the resident to the housing register and backdated his registration date. As such, they propose to discontinue their investigation as they are unlikely to achieve anything further.	Initial investigation was discontinued as remedy sought by the TVBC.

<b>NOT INVESTIGATED</b>			
<b>Date</b>	<b>Subject Matter</b>	<b>Action Taken</b>	<b>LGSCO outcome</b>
06/04/21	Planning and Building Complaint about the way the Council considered a planning application.	Was not investigated as no significant personal injustice to warrant an investigation	No Investigation
Aug 21	Housing and Environmental Health  Noise complaint against a supermarket	LGSCO decided not to proceed with their investigation. Council have agreed to continue to communicate with resident through an advocate if desired	No Investigation

<b>NOT INVESTIGATED</b>			
<b>Date</b>	<b>Subject Matter</b>	<b>Action Taken</b>	<b>LGSCO outcome</b>
09/12/21	Planning and Building Complaint about planning permission being granted.	LGSCO did not investigate as complaint does not meet the test in assessment code, and no significant injustice, and cannot investigate complaints about a parish council	No Investigation
22/12/21	Planning and Building No enforcement action taken on a particular development. Wants hard standing removed and trees reinstated	No error in Council decision, responded to complainant	No Investigation
06/01/22	Planning and Development  Complaint received by the LGSCO, complainant asked for their information not to be shared.	LGSCO received a 'Planning and Development' Complaint about TVBC that they have not decided to take no further action following initial enquiries. They are treating the details as confidential but informed us for statistical purposes.	No Investigation
08/03/22	Housing and Environmental Health Complaint regarding HHC application and priority banding.	Was not investigated by LGSCO as the complaint was withdrawn by the resident.	Withdrawn
09/03/22	Housing complaint - Unhappy with advice given about Housing Register eligibility which they claim influence their decision to sell their house	LGSCO decided not to investigate because there is insufficient evidence of fault by the Council, and it is unlikely they could add to the Council's response. In addition, there is insufficient evidence of injustice	No Investigation

6.3 The LGSCO publishes the statistics for all local authorities each year. This enables a comparison to be made between comparable authorities based on the CIPFA (Chartered Institute of Public Finance and Accountancy) 'Nearest Neighbours Model'. The model provides a "family group" of local authorities that are comparable for bench-marking purposes. However, it is important to note that this is not an exact comparison due to the unique nature of each authority and the services they provide, as well as the geographical area and related issues. It can therefore only be used for ascertaining an approximate and informal benchmark.

6.4 The LGSCO has published the total number of complaints assessed for each authority, as illustrated below:

Authority name	Total complaints assessed	Decision: Complaint not upheld	Not Investigated	Decision: Complaint upheld
<b>Test Valley Borough Council</b>	<b>9</b>	<b>0</b>	<b>7</b>	<b>2</b>
Ashford Borough Council	10	2	5	3
East Hampshire District Council	9	2	5	2
South Oxfordshire District Council	14	5	5	4
Vale of White Horse District Council	18	2	16	0

## 7 Other matters

7.1 The reporting of complaints is embedded in the Council's performance management process, giving further opportunity for issues to be raised throughout the year, and for wider corporate trends to be identified should they arise.

## 8 Conclusion

8.1 Complaints at service level have increased this year, but against a previous year which saw a significant drop in the number of complaints, largely due to the Covid 19 pandemic and lockdowns. The number of complaints has not yet reached the level it was at in 2019/20 and figures will be monitored next year to see if the volume of complaints returns to pre-covid levels.

8.2 The number of complaints escalated to the Chief Executive for further investigation has also increased from six in the previous year to 18 in 2021/22. The figure for 2020/21 has again been impacted by the Covid 19 pandemic. Heads of Service continue to be encouraged to escalate a complaint to the Chief Executive if required, in the interests of efficiency and the Council continues to signpost complaints to the LGSCO as recommended.

- 8.3 Complaints are also occasionally raised via social media channels, including Twitter and Facebook, which continue to be monitored by both CSU and the Communication Team. They respond to Twitter enquiries and monitor Facebook messages, directing complainants to the complaints process where necessary.
- 8.4 The consistency of complaints reporting suggests that the complaints process continues to work effectively, and that the public are able to make a complaint with ease. Where necessary, trends are identified and managed by individual services. The Policy Manager will continue to work closely with Services to identify ways to effectively manage and resolve complaints.
- 8.5 The Committee is requested to consider the annual complaints report for 2021/22.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
Annexes	10		
Author:	Charlotte Starkie	Ext:	8123
File Ref:	N/A		
Report to:	Audit Committee	Date:	12 December 2022

## ANNUAL COMPLAINTS LOG 2021/22

## FOR PLANNING AND BUILDING

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## Complaints Summary

<b>Service Level Complaints</b>	<b>12</b>
<b>Escalation to the Chief Executive</b>	<b>9</b>
<b>Escalated to LGSCO</b>	<b>4</b>

<b>Date</b>	<b>Stage</b>	<b>Subject matter</b>	<b>Action taken</b>	<b>Actions derived from lessons learnt</b>
26/05/21	One	Parkers Farm/ Broadleaf Park development and BT Openreach Civil Engineering depot	Dealt with at service level	Apology provided
19/03/22	One	Supporting documents for a planning application not added to the planning portal	Apology given for documents not being placed on online portal. This is as a result of an administrative error and has been rectified.	Identified specific training requirements

## ANNUAL COMPLAINTS LOG

## FOR HOUSING AND ENVIRONMENTAL HEALTH

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

Summary for the year:

<b>Service Level Complaints</b>	<b>14</b>
<b>Escalation to the Chief Executive</b>	<b>5</b>
<b>Escalated to LGSCO</b>	<b>4</b>

Date	Stage	Matter	Action	Actions derived from lessons learnt
06/11/21	One	Unhappy with the outcome of their housing application.	Resident spoken to on phone and communicated by email. An apology that that Aster had mis-advertised the property, meaning it had to be readvertised correctly, and understanding of the impact this has on the resident. Explained that due to resident's needs, any suitable property would need to be approved by the Occupation Therapist - Officers will work with them to ensure this happens. Residents have been moved to Band 1 priority on the housing register.	In this instance there was clear value in speaking to the complainant directly to develop a mutual understanding including about how the allocations process works in light of the presenting issues affecting the couple.

Date	Stage	Matter	Action	Lesson learnt
03/12/21	One	Repeated issues with work undertaken by contractor	Response to the resident that the best course of action was to pursue the matter directly with the contractor through their Public Liability Insurance. Could revisit if this path to a resolution is not satisfactory and see how the Council could assist the complainant. Additionally, asked resident for photographs of the work so that HEH could seek an independent opinion that could influence their future contractor list.	Reviewing the way in which applicants are advised about who takes responsibility for works to try and ensure it is absolutely clear that the applicant, not the council, approves and engages a contractor and the applicant, not the council, signs off the work as satisfactory.
18/02/22	Two	Complaint about how the nomination by Test Valley Borough Council for a property has been incorrectly dealt with resulting in Aster Housing refusing to offer a property.	An apology for the mistaken nomination, which was an error as the property did not meet resident's needs and so it was correctly rejected by Aster. The nomination was consistent with the previous actions of the council and Aster.	Challenges with limitations of the software to be explored with the provider. Complaint discussed with Lettings Team to highlight the issues arising and to seek an improvement to the system

## ANNUAL COMPLAINTS LOG 2021/22

## FOR ENVIRONMENTAL SERVICES

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## Complaints Summary

<b>Service Level Complaints</b>	<b>37</b>
<b>Escalation to the Chief Executive</b>	<b>1</b>
<b>Escalated to LGSCO</b>	<b>0</b>

Date	Stage	Matter	Action Taken	Actions derived from lessons learnt
22/06/21	One	Customer reported that his brown bin left unemptied and tagged, unfairly, on a number of occasions. CSU offered the customer some advice and guidance on recycling by our Recycling Officers. Customer was not happy with this, therefore has asked that this it escalated as an official complaint.	SESO contacted customer to discuss crew's actions (regarding tagging the bin). Discussion revealed that the customer is trying to do the right thing. A conversation will be held with the crew to convey customer's frustrations and reasons for misunderstandings.	Supervisor to speak to driver to explain the frustrations of the household. They are doing their best to correctly recycle.
12/07/21	One	Repeated missed garden waste.	Environmental Services Manager – Operations (North) apologised to customer. A system error was found which has now been rectified. Arrangements made for waste to be collected.	System updated.

03/08/21	One	Repeat missed garden waste.	Environmental Services Manager – Operations (North) apologised to the customer, explained that the bin had been missed because it had been left at a different collection point. Arrangements made for the waste to be collected.	Crew updated with new bin collection point.
22/09/21	One	Garden waste bin missed three times in a row, despite having previously been brought to our attention.	Despite being reported, the missed waste still had not been collected one week later. Customer therefore sent a further email. Waste Collection Supervisor (North) apologised to customer and explained that the original issue was due to having frequent driver changes.	Arrangements made for property to be clearly marked on the running sheet for the next few months to ensure there is no repeat.
13/10/21	One	Repeated missed bin.	Environmental Services Manager – Operations (North) responded to customer explaining that collection for their property was on a different day due to it being narrow access.	Customer aware of different collection arrangements for properties with narrow access.
15/12/21	One	Unhappy that bulky waste collection had been refused, after original collection had been changed. Also no contact made indicating reason for refusal.	Senior Environmental Services Officer contacted customer. Apologised that the original booking had to be re-arranged, this was due to an admin error in the original booking. The collection was not made on the expected date as the sofa appeared to be contaminated with faeces. A refund has been arranged.	Review of process to ensure prompt communication with the customer at the point the collection is refused and provide 'next steps' information.

04/01/22	One	Garden waste not collected, despite logging it as missed collection with garden waste and multiple phone calls assuring her it would be collected asap	Waste Collection Supervisor (South) (WCSS) contacted customer to resolve the issue and to apologise. A more visible location for bins to be presented for collection agreed with the customer. Arrangements made for the missed waste to be collected and to take additional waste on the following two collections.	Crew have been made aware of the issue and reminded of the need to be thorough when checking whether waste has been presented for collection.
16/02/22	One	Complaint about heavy handed approach to surplus waste left beside black bin.	Environmental Services Manager – Operations (South) (ESMOS) spoke to the resident to discuss the issues raised. Clarification given regarding what waste can be presented for household waste collection, side waste and customer's ability to use authorised EBC. Arrangements made for recycling bin to be delivered.	Internal procedure reviewed to ensure policy is adhered to and to encourage internal discussion.
18/03/22	One	TVBC van was parked on pathway, concerned that this would be a problem for pushchairs and blind people. Alleged that the workers were sarcastic and rude to her.	Grounds Maintenance Supervisor (South) (GMSS) spoke to customer. Apologised and gave assurance that this issue would be dealt with.	Staff members spoken to, reminded of responsibility to be considerate and courteous to members of the public. Appropriate training will be provided.

## ANNUAL COMPLAINTS LOG 2021/22

## FOR COMMUNITY AND LEISURE

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## Complaints Summary

<b>Service level Compliant</b>	<b>7</b>
<b>Escalation to the Chief Executive</b>	<b>0</b>
<b>Escalation to the LGSCO</b>	<b>0</b>

Date	Stage	Matter	Action	Actions derived from lessons learnt
02/08/21	One	Request in June for shrubbery be cut back in the communal car park and surrounding areas, but no evidence of the work being undertaken.	Shrubbery was cut back before the end of August as promised to customer.	Keep the customer informed of the process to rectify their complaint.

## ANNUAL COMPLAINTS LOG 2021/22

## FOR PROPERTY AND ASSET MANAGEMENT

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## COMPLAINTS SUMMARY

<b>Service Level Complaints</b>	<b>3</b>
<b>Escalation to the Chief Executive</b>	<b>0</b>
<b>Escalated to LGSCO</b>	<b>0</b>

<b>Date</b>	<b>Stage</b>	<b>Matter</b>	<b>Action</b>	<b>Actions derived from lessons learnt</b>
06/10/21	One	Parking Complaint - PCN issued to a vehicle parked with no valid parking session. Motorist felt PCN issued incorrectly believing valid parking session was in place, and unhappy with attitude of enforcement officer towards him.	PCN was issued correctly, motorist had made error and booked parking on RingGo in wrong car park. Acknowledged officer may have raised voice in response to driver shouting at her, and so reminded patrol officer of behaviour expected. However, driver advised of standards of behaviour expected from the public towards officers having then driven his vehicle at the enforcement officer.	Reminder issued to remain calm, not to match the customer's tone

**ANNEX 5**

28/10/21	One	<p>Parking complaint about non TVBC issues including multiple trip hazards in the highway section of Andover High Street, and request for speedbump on George Yard service road. Also complained about other landscaping and signage issues, and the need for CCTV to catch motorists speeding around car parks.</p>	<p>Service request sent to Env Servs re landscaping. Informed that new pedestrian crossing sign to be installed at access to Anton Mill Rd Car Park, and advised complainant that TVBC is already in process of implementing speed warning signage/floor markings in the Asda car park. Adv CCTV already in place considered appropriate and proportionate at this time.</p>	<p>Car Park signage will continue to be regularly reviewed, and there are already regular maintenance inspections of the car park.</p>
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## ANNUAL COMPLAINTS LOG 2021/22

## FOR FINANCE AND REVENUES

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## Complaints Summary

<b>Service Level Complaints</b>	<b>9</b>
<b>Escalation to the Chief Executive</b>	<b>1</b>
<b>Escalated to LGSCO</b>	<b>0</b>

Date	Stage	Matter	Action	Actions derived from lessons learnt
10/09/2022	One	Resident received envelopes that were unsealed, in relation to housing benefit. Concern that this was a potential data breach	Apologised that the letter had opened, but reassured to state that it is likely that it was unseen by others	For checks to be made to ensure that envelopes are properly sealed.
14/10/21	One	Staff Conduct on phone	Manager emailed customer to apologise for staff conduct - explained that approach and method is guided by legislation.	Reminder to team about conduct.
08/11/21	One	Unhappy with proposed repayment plan of Council Tax and unhappy with tone of staff member he spoke to on the phone when trying to resolve the issue	An apology for the tone of voice of staff members. Explained that reason Council Tax was due was because resident never made a Council Tax payment when living in his previous address between 1 September 2020 and 18 January 2021.	Arranged a repayment plan and resident satisfied with outcome

## ANNEX 6

/22	One	Resident upset with CSU member of staff who gave a response when he rang to enquire about impact of storm Eunice on bin collection.	CSU called to apologise to resident for the conduct of the staff member.	Would raise in weekly teams meeting and a regular reminder to staff to be mindful of customer's individual circumstances.
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## ANNUAL COMPLAINTS LOG 2021/22

## FOR LEGAL AND DEMOCRATIC SERVICE

## EXAMPLES OF COMPLAINTS THAT HAVE RESULTED IN EXPLICIT LEARNING POINTS OR SERVICE IMPROVEMENTS

## Complaints Summary

<b>Service Level Complaints</b>	<b>3</b>
<b>Escalation to the Chief Executive</b>	<b>2</b>
<b>Escalated to LGSCO</b>	<b>1</b>

Date	Stage	Matter	Action	Actions derived from lessons learnt
19/09/21	One	Councillor complaints process – unhappy with way in which complaints made about himself, and by himself, have been handled.	HoS has written to resident setting out how the investigation has taken place and the appointment of the external investigator.	Measures put in place to monitor a time frame for councillor complaints
23/02/22	One	Chairman of a Parish Council registered to speak as Southern Area Planning Committee but was prevented from doing so because he was not on the list to speak.	A response was given, to say that he has unintentionally been left off the list due to a human error. HoS explained that this mistake was a one off and explained the actions she would be taking forward to ensure it did not happen again. Resident responded to thank her for the response and that he accepted her apology.	Put in place measures to prevent it happening again.

## ANNUAL COMPLAINTS REPORT 2021/22

## COMPLAINTS ESCALATED TO THE CHIEF EXECUTIVE (STAGE TWO) Total: 18

PLANNING AND BUILDING				
Date	Matter	Action taken	Actions derived from lessons learnt	Closed
11/05/21	Alleged use of forged documents and false historical information during the consideration of planning applications for a site in West Tytherley	Complainant unhappy with 2nd response from the Council. All relevant parties were copied into the email. Been reminded of right to escalate to LGSCO.		21/06/21
04/07/21	Apparent collusion over diversion of footpath 3 West Tytherley	Complainant unhappy with 2nd response from the Council. Reminded of right to escalate to LGSCO.	No Fault	
22/07/21	Complaint about the way he has been treated over the Parkers Farm/Broadleaf development and BT Openreach depot	Complainant informed that the Council has followed the correct processes and procedure.	No fault	11/08/21
05/08/21	Unhappy with the way Planning Officer has dealt with her application	Complainant informed that the Council has followed the correct processes and procedure.		18/08/21
27/08/21	Large garage built in open countryside with Velux windows and lots of windows as big as 2 bungalows with no planning permission	Complaint also received about officer conduct but linked to existing complaint.	No fault	14/09/21
31/08/21	Complaint regarding overlooking from playhouse in neighbour's garden. Request to check if neighbour recently installed electric gates require planning permission. Also dogs barking in early hours of morning (HEH)	Various issues in complaint letter which involved more than 1 service and so delays.	No fault	16/09/22

19/10/21	Alleged negligence for failing to pursue enforcement action. Allegation that the Council failed to carry out its statutory duties as a result.	Matter was still subject to an application so was unable to respond.		08/11/21
08/11/21	Unhappy with planning application outcome for neighbour's playhouse	Linked to complaint on 31/08/21		23/11/21
12/11/21	Ongoing planning enforcement matter - unhappy with time taken to progress planning enforcement investigation at neighbouring property	An apology for not responding to complainant's initial email. Leader was also cc'd in correspondence and interested to know the outcomes.		26/11/21

<b>HOUSING AND ENVIRONMENTAL HEALTH</b>				
Date	Matter	Action taken	Actions derived from lessons learnt	Closed
23/08/21	Complaint about conduct of member of H&EH.	Chief Executive responded to refute the claims the resident made and clarify that the Council had not breached any data protection regulations		15/09/21
21/09/21	Concerned at the conduct of the Council in dealing with an application for Fit & Proper Person Tests on his sites. Has also requested a refund of fees paid.	Chief Executive responded, stating that the level of fees payable was clearly available on the council's website. Additionally, he noted that the council had offered to refund £224 as a goodwill gesture as the impact of owning multiple sites wasn't clearly available at the time of his application.		12/10/21

17/11/21	<p>Complainant is being investigated regarding a neighbourhood issue. Alleged that neighbours have been asked to gather evidence and are now taking photos and filming over the garden fence. Has also contacted the Police.</p> <p>In addition, resident was unhappy with an (internal) safeguarding query following his visit to her house. Additionally, she stated she believes Covid protocols were not adhered to officers visited her in late September.</p>	<p>Chief Executive responded on 7 Dec. He reiterated the points made in the stage 1 response -</p> <p>TVBC was right to refer the ASB to C&amp;L as they were best placed to support resident. This was retracted when resident expressed displeasure at this. The Council has never requested footage from any of resident's neighbours. If it received any collected illegally, it would report these to the relevant authorities.</p> <p>TVBC was right to take a safety-first approach and consult internal safeguarding colleagues about concerns, he noted resident's correction of the record.</p> <p>EH team have conducted visits throughout the pandemic: officers both wore face coverings, and the meeting took place outside, with Covid protocols being provided in advance of visit. An apology given that the Covid questions were not raised at start of meeting but instead several minutes in.</p>	<p>Important to ensure wit is communicated that TVBC is one organisation and information sharing between services is to be expected when we are addressing complaints and service requests, where it is appropriate to engage colleagues in other parts of the organisation internally.</p>	07/12/21
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21/01/22	Housing complaint - Unhappy with advice given about Housing Register eligibility which they claim influence their decision to sell their house	<p>Chief Executive responded, setting out the following key points:</p> <ul style="list-style-type: none"> <li>- There was no record of the conversation in February 2021, but this was to be expected. However, the letter sent to them in May 2021, rejecting their housing register application clearly set out their ineligibility to join the register as well as the fact the register cannot be relied upon to provide housing in a given timescale.</li> </ul> <p>Set out the reasons why the council does not record calls, to ensure compliance with GDPR. Explained the reason why the average wait time is not contradictory to the advice that we cannot accurately predict how long a household may wait.</p> <p>Housing register applicants are able to add additional information to their applications or email these details to the lettings team.</p> <p>Concluded by reiterating the options for support that were available, including the Rent Deposit Loan Scheme and the national Home Swapper scheme.</p>		10/02/22
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18/02/22	Complaint about how the nomination by Test Valley Borough Council for a property has been incorrectly dealt with resulting in Aster Housing refusing to offer the above property to her	<p>Chief Executive responded, repeating earlier apology for the mistaken nomination. He noted the nomination was in error, as the property did not meet resident's needs and so it was correctly rejected by Aster - the nomination was consistent with the previous actions of the council and Aster.</p> <p>Explained that the system was not sophisticated enough to allow for filtering of properties based on need but that would be looked at as an improvement.</p> <p>Refuted resident's assertion that the council's actions were discriminatory but that it would be inappropriate for the council to house anyone in an unsuitable property. He set out that the delay in processing the nomination was due to a number of factors but that if the nomination was successful, it would still have taken time.</p>	Challenges with limitations of the software to be explored with the provider. Complaint discussed with Lettings Team to highlight the issues arising	11/03/22
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<b>ENVIRONMENTAL SERVICES</b>				
Date	Matter	Action taken	Actions derived from lessons learnt	Closed
22/03/22	Not happy with the way his complaint re an abandoned vehicle was handled	Escalated to Chief Executive, however after he spoke to owner of vehicle it was removed, before stage 2 response sent		07/04/22

<b>FINANCE AND REVENUES</b>				
Date	Matter	Action taken	Actions derived from lessons learnt	Closed
08/03/22	Unhappy with how TVBC have handled Council Tax arrears, believes the council should be providing more financial support due to low income.	Response provided calculations for council tax/support in tables to show how they arrived at these figures. Apology that some information was left out of her first Subject Access Request, L&D will be sending fresh information. Resident has been signposted to different charities and support available to her. She was encouraged to apply for the Household Support Grant for additional support.		25/03/22

<b>LEGAL AND DEMOCRATIC</b>				
Date	Matter	Action taken	Actions derived from lessons learnt	Closed
01/10/21	Councillor complaints process – unhappy with way in which complaints made about himself, and by himself, have been handled.	Chief Executive responded to set out how the investigation has taken place and basis for gaining an independent opinion. Escalated to LGSCO		25/10/21
07/02/22	Chief Executive clarified that he was unable to investigate a councillor Code of Conduct Complaint, however, he could investigate the way in which the investigation was conducted. He could find no fault	An apology was made re the delays.		02/03/22

Local Government &  
Social Care  
**OMBUDSMAN**

ANNEX 9

20 July 2022

*By email*

Mr Ferrier  
Chief Executive  
Test Valley Borough Council

Dear Mr Ferrier

### **Annual Review letter 2022**

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

### **Complaint statistics**

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

**Complaints upheld** - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

**Compliance with recommendations** - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your

Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

### **Supporting complaint and service improvement**

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

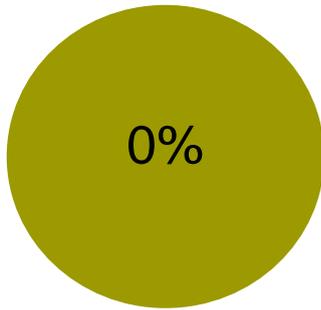
We were pleased to deliver an online complaint handling course to your staff during the year. I welcome your Council's investment in good complaint handling training and trust the course was useful to you.

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

**Complaints upheld**



**0%** of complaints we investigated were upheld.

This compares to an average of **51%** in similar organisations.

**0**  
upheld decisions

Statistics are based on a total of **1** investigation for the period between 1 April 2021 to 31 March 2022

**Compliance with Ombudsman recommendations**

No recommendations were due for compliance in this period

**Satisfactory remedy provided by the organisation**

The Ombudsman did not uphold any detailed investigations during this period

## Interpreting LGSCO complaints data

### Received cases

This is the number of complaints and enquiries we received within a given period. You should be cautious when using these statistics to monitor the performance of organisations within our jurisdiction. This is because the number of new cases we receive doesn't simply depend on the number of problems people have with local services. There are lots of other factors to consider. For example:

- **Demographics.** An organisation that serves a large population is likely to see more complaints reach us. This could also influence the kind of complaints that are made to us. For example, a community that includes a high proportion of older people may raise more complaints about adult social care services.
- **Local conditions.** Sometimes, one-off events can generate multiple complaints about the same organisation. For example, we might receive several complaints from people who oppose a council's decision to grant planning permission for a large housing development.
- **Expectations.** Not everyone who receives a poor service goes on to raise a complaint with us and some people are less likely to complain than others. So a fall in the number of received complaints may reflect lower expectations rather than an improvement in services.
- **Signposting.** A high number of received complaints might reflect an organisation that is good at letting people know they can ask us for an independent investigation.

### Decided cases

This is the number of decisions we make on the cases we see. It is important to know that not all complaints and enquiries are appropriate to investigate. We report our decisions by the following outcomes:

- **Invalid or incomplete.** We were not given enough information to consider the issue.
- **Advice given.** We provided early advice, or explained where to go for the right help.
- **Referred back for local resolution.** We found the complaint was brought to us too early because the organisation involved was not given the chance to consider it first.
- **Closed after initial enquiries.** We assessed the complaint but decided against completing a full investigation. This might be because the law says we're not allowed to investigate it, or because it would not be an effective use of public funds if we did.
- **Upheld.** We completed a detailed investigation and found evidence of fault, or we found the organisation accepted fault early on.
- **Not upheld.** We completed a detailed investigation but did not find evidence of fault.

Our uphold rate shows how often we find organisations get things wrong. It is expressed as a percentage of the detailed investigations we complete.

**Remedied cases**

When we find fault in the way an organisation carries out its duties, we consider whether this caused an injustice to the person who was affected. If so, we make recommendations about what the organisation should do to put things right.

- **Complaints remedied by authority.** This is the number of cases in which we decided that, while it did get things wrong, the organisation took satisfactory action to remedy the injustice caused.
- **Complaints remedied by LGO.** This is the number of cases which required our direct intervention to put things right for the person who was affected.

## **ITEM 8 Report on the use of the Regulation of Investigatory Powers Act 2000**

Report of the Head of Legal and Democratic Services

### **Recommended:**

**That Audit Committee receives the report of the Head of Legal and Democratic Services on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000.**

#### **SUMMARY:**

- This report updates members as to the Council's use of its powers under the Regulation of Investigatory Powers Act 2000.

### **1 Introduction**

- 1.1 The Home Office Covert Surveillance and Property Interference Code of Practice recommends regular reporting to elected members of a local authority's powers under the Regulation of Investigatory Powers Act 2000.
- 1.2 This report provides members with such an update.

### **2 Background**

- 2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a legal basis for certain authorities to carry out certain invasive investigations.
- 2.2 Insofar as Local Authorities are concerned, this includes carrying out "directed surveillance" or use of "covert human intelligence sources" (CHIS) for authorised purposes.
- 2.3 Directed surveillance or use of CHIS may only be authorised where prescribed criteria are met; namely in relation to investigations relating to an offence punishable by a maximum term of six months' imprisonment or more, or relating to the sale of alcohol, tobacco or nicotine products to minors.
- 2.4 'Directed surveillance' is covert, cannot be 'intrusive' (see below), is undertaken for the purposes of a specific investigation or a specific operation, is carried out in a such a manner which is likely to result in obtaining private information about a person and is planned (it cannot be an immediate response to events or circumstances).
- 2.5 'Intrusive' surveillance cannot be carried out in any circumstances by a Local Authority. Intrusive surveillance includes the presence of an officer or use of a surveillance device in a residence or private vehicle, or use of a device (e.g. a long lens camera) which would provide information of the same quality as would be obtained from a person or device in a residence or private vehicle.

- 2.6 Use of a 'covert human intelligence source' (CHIS) occurs where a person establishes or maintains a relationship with a person:
- a. for the covert purpose of using that relationship to obtain information or to provide access to any information to another person or
  - b. to covertly disclose information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.
- 2.7 Certain Officers have authority to authorise directed surveillance or use of CHIS *however* that authorisation must be approved by a Justice of the Peace in order to become effective. The Council's Legal Service will advise and assist in obtaining authorisation.
- 2.8 Before authorising surveillance/CHIS the authorising officer must be satisfied that the authorisation is:
- a. necessary for the purpose of preventing or detecting crime or preventing disorder; and
  - b. proportionate (for example, the action will not be proportionate if the objective could be achieved by less intrusive means).
- 2.9 The authorising officer must also consider the risk of any collateral intrusion i.e. the intrusion into the privacy of persons who are not the subject of the investigation.
- 2.10 An additional layer of assurance is required where the personal information to be obtained is 'confidential information'. Confidential information for these purposes is information subject to legal privilege or information held in confidence concerning an individual (living or dead) who can be identified from it and the material relates to the person's physical or mental health or to 'spiritual counselling'. In these cases, authority (which still must be approved by a Justice of the Peace) can only be given by the Chief Executive or in his absence the Deputy Chief Executive.
- 2.11 Authority does not take effect and the surveillance or use of CHIS cannot take place until it has been approved by a Justice of the Peace.
- 2.12 Authorisation may be renewed if necessary.
- 2.13 An authorisation for directed surveillance will last for three months from the date of Justice of the Peace approval and an adult CHIS authorisation for twelve months unless renewed or cancelled.
- 2.14 The Home Office Covert Surveillance and Property Interference Code of Practice recommends that elected members of a Local Authority should consider internal reports on the use of the 2000 Act on a regular basis.
- 2.15 The objective of this document is to provide such a report.

- 2.16 Local Authority use of RIPA powers is infrequent. Members are asked to note that Test Valley Borough Council has not utilised its powers under the 2000 Act since 2018 and so this is a 'nil return' report but members are nonetheless requested to note the position.

### **3 Corporate Objectives and Priorities**

- 3.1 Having procedures in place to enable surveillance and/or use of covert human intelligence sources in appropriate cases supports the Council's corporate objectives of growing the potential of the Borough's town centres, communities, people and the local environment.

### **4 Risk Management**

- 4.1 No risks arise as a result of this report.

### **5 Resource Implications**

- 5.1 There are no resource implications of this report.

### **6 Legal Implications**

- 6.1 There are no legal implications of this report.

### **7 Equality Issues**

- 7.1 No equality issues arise out of this report. Equality considerations will be taken into account on a case by case basis as and when authorisations are considered.

### **8 Conclusion and reasons for recommendation**

- 8.1 Members are requested to receive this report and note its content.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<a href="#">Home Office Covert Surveillance and Property Interference Code of Practice</a>			
Corporate Surveillance Policy			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	None	File Ref:	N/A
Officer:	Karen Dunn	Ext:	8401
Report to:	Audit Committee	Date:	12 December 2022

## **ITEM 9 Internal Audit Progress Report to 30 November 2022**

Report of the Internal Audit Manager (Portfolio: Finance and Resources)

### **Recommended:**

**That the Internal Audit progress report be noted.**

#### **SUMMARY:**

- This report sets out the Internal Audit coverage, findings and performance for 2022/23 to 30 November 2022 and summary risk profile for those areas reviewed.

### **1 Introduction**

- 1.1 The Annual Audit Plan for 2022/23 was approved by the Audit Panel on 14 March 2022.
- 1.2 The scope of audits included in the plan enable a continuing assurance opinion to be provided on the adequacy and effectiveness of the Council's internal control framework and reflects the Council's key priorities and objectives.
- 1.3 A risk assessment has ensured that the Corporate and Service risk registers, in consultation with all Heads of Service and Senior Management, inform the plan and that the audit resource required is matched against available resources.

### **2 Independence and Objectivity**

The Internal Audit Team's independence and objectivity has been maintained in accordance with the Public Sector Internal Audit Standards (PSIAS).

### **3 Performance against the Audit Plan**

- 3.1 Since 1 April 2022, the Internal Audit function has made good progress against the Annual Audit Plan 2022/23 as summarised in the Internal Audit Progress Report in the Annex.
- 3.2 Of the 8 audits reported as complete in the Annex, 5 were classified as substantial assurance, 1 as limited assurance and 2 had a split assurance opinion of substantial/limited. The executive summary detail, assurance opinion and risk profiling definitions are detailed in the Annex.

All actions arising from audit reviews to date have been accepted by management and programmed for implementation. Progress on the implementation of internal audit actions agreed with management that should have been in place by 31 October 2022 is summarised in the Annex.

#### **4 Compliance with the Public Sector Internal Audit Standards (PSIAS)**

4.1 The Audit Committee received a report at the June meeting on the Internal Audit function's conformance with the Public Sector Internal Audit Standards UK. (PSIAS). A self-assessment against these standards was carried out in March 2022. The Public Sector Internal Audit Standards are a mandatory requirement, the objectives of which are to:

- (i) Define the nature of internal auditing within the UK public sector,
- (ii) Set basic principles for carrying out internal audit in the UK public sector,
- (iii) Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
- (iv) Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

4.2 No areas of "partial" assurance were highlighted. There were however some areas identified where further developments could improve the efficiency and effectiveness of the team going forwards. These are being progressed during 2022-23 and included:

- Bringing the Audit Charter and Strategy to the Audit Committee to inform Members of the core principles for the professional practices of internal auditing and to obtain endorsement of any future updates. These were brought to and approved by the Audit Committee on 26 September 2022.
- Seeking opportunities for feedback on the performance of the Internal Audit Manager from the Audit Committee and Chief Executive.
- Continuing, where appropriate, to develop the use of CAATS (Computer Assisted Audit Techniques), and other methodologies in testing.
- Developing and reporting on the Internal Audit Team role in project assurance whilst ensuring independence is maintained as clearly expressed in the Audit Charter.
- Developing and embedding fraud awareness processes.

#### **5 Corporate Objectives and Priorities**

5.1 The work of the Internal Audit function supports the Council's four strategic aims for maintaining and improving quality of life in Test Valley, by ensuring that the Council makes the most of its available resources and transforms the way it works, to provide even better value for money and effective service delivery.

#### **6 Consultations/Communications**

6.1 The external auditors have been consulted on the internal audits planned coverage for 2022/23.

6.2 The Internal Audit Plan for 2022/23 has involved full consultation with senior management, service heads, external audit, and has been approved by the Audit Committee at its previous meeting.

## 7 Risk Management

7.1 The annual audit plan 2022/23 is based on the Council's risk registers and Internal Audit contributes towards the overall corporate governance framework of assurance.

## 8 Resource Implications

8.1 The Internal Audit Team sustained resource pressure during April pending the appointment of a Trainee Auditor. There is however no shortfall of actual days spent against planned days in the Annual Audit Plan at this stage.

8.2 Following restructure of the team in 2021/22 the budget savings have been retained to provide some contingency for external support where needed to enable audit coverage on the core audits or more specialised areas.

## 9 Equality Issues

9.1 The report is for information purposes, so the Council's EQIA process does not need to be applied.

## 10 Conclusion

10.1 This report outlines the work undertaken and progress against the Internal Audit Plan for 2022/23 by Internal Audit to 30 November 2022.

10.2 As at 30 November 2022 progress on the planned 2022/23 Audit Plan is on target. The procurement of additional external resource will be sought to support the delivery of the plan if needed.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
Author:	Jan Balfour	Ext:	8234
File Ref:	N/A		
Report to:	Audit Committee	Date:	12 December 2022



**Internal Audit Progress Report as at 30<sup>th</sup> November 2022**

**Jan Balfour – Internal Audit Manager**

## 1.0 INTRODUCTION

Internal Audit is a statutory function for all local authorities.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 as 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 and guidance.”

The standards for “proper practices” are laid down in the Public Sector Internal Audit Standards (PSIAS) (the standards – updated 2016).

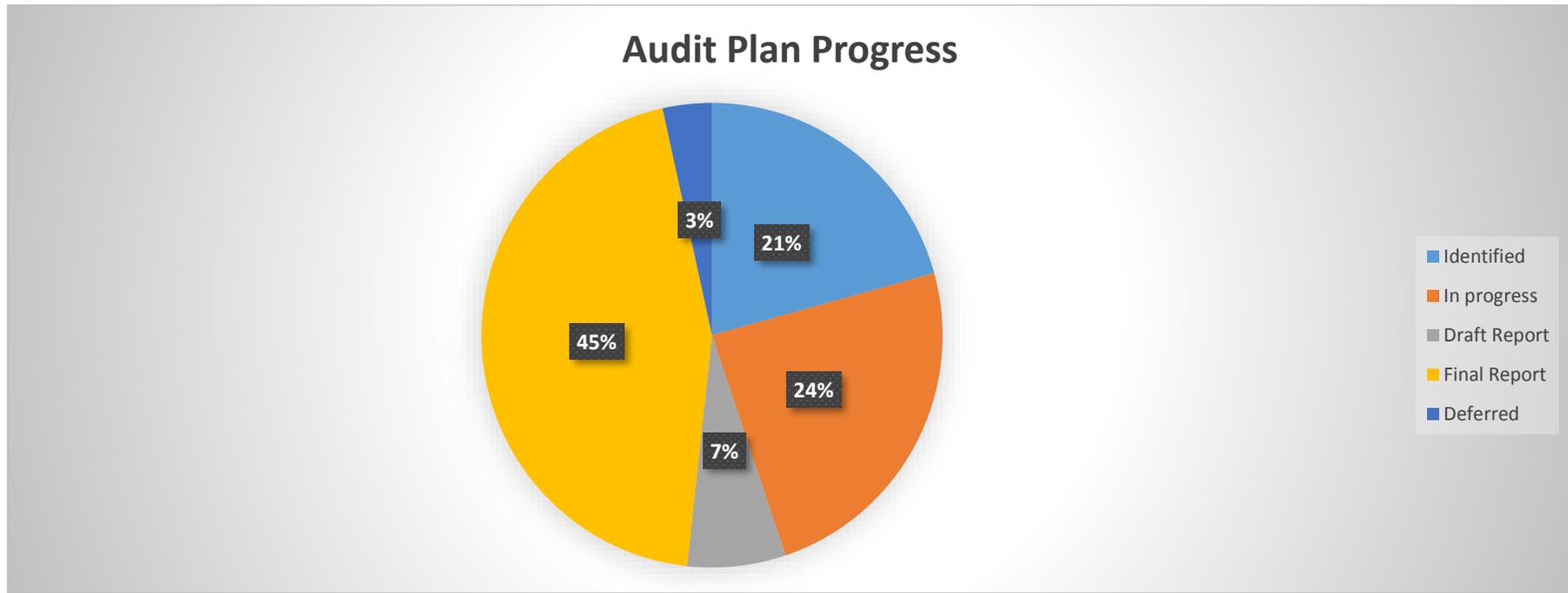
Internal Auditing is an independent, objective and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control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

This report includes the status against the 2022/23 internal audit plan.

## 2.0 AUDIT PLAN PROGRESS AS AT 30<sup>th</sup> NOVEMBER 2022

There are 27 full audits and 2 follow up reviews totalling 29 reviews. These include the “core” financial audits which are compulsory and take place on an annual basis, cross cutting/corporate audits, and service specific reviews. Also included are 3 audits deferred from 2021-22.

To date 13 (45%) have been completed to final report stage, 2 (7%) are at draft report stage and 7 (24%) are in progress as at 30<sup>th</sup> November 2022. 6 audits (21%) are yet to be started and 1 (3%) is proposed for deferral to the 2023-24 Audit Plan.



### **3.0 ONGOING ACTIVITIES**

Internal Audit has provided advice and assurance in the following areas:

7 pieces of advice and assurance.

National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office.

Audit Committee reporting and attendance.

Audit Planning and consultation.

Risk Management and Annual Governance Statement.

Work is underway to develop and promote Fraud Awareness and carry out a risk assessment of the Council's Anti-Fraud and Corruption processes and procedures.

Project Assurance role on 11 projects.

### **4.0 CONTINGENCIES**

2 special investigations have been undertaken to date.

3 pieces of work have been carried out under the provision for requests from the S151 Officer. These have included the £150 energy payments scheme, use of Purchasing Cards and the procurement of VMWare Server replacement. Reports were produced for 2 and these are summarised in section 8.0 below.

### **5.0 AUDIT PLAN CHANGES**

The following changes have been made to the Audit Plan since issue of the last progress report.

**Audits removed from the Audit Plan:**

It is proposed to defer the audit of Mobile Devices from the 22-23 Audit Plan to Quarter 1 of the 23-24 plan. This is due to progress on the roll- out of mobile devices having been delayed.

**Audits added to the Audit Plan.**

3 audits were deferred from the 2021-22 Audit Plan as previously reported to the Audit Committee. These included Asset Management (Capital Accounting), Garden Waste and Emergency Planning. 2 have been completed and 1 (Asset Management) is in progress.

2 audits (Grants and Portway Business Park) are held in reserve and will either be included in the 2022-23 if there is capacity to do so or will be considered for inclusion in the 2023-24 Audit Plan.

**6.0 ASSURANCE LEVEL/OPINION**

Internal Audit Reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives for the area under review.

Assurance Level/Opinion:	Description:
Full	There is a sound system of control designed to achieve the system objectives.
Substantial	While basically there is a sound system there are weaknesses which put some of the control objectives at risk.
Limited	Weaknesses in the system of controls are such as to put the system objectives at risk.
No	Control is generally weak leaving the system open to significant error or abuse.

The **opinion** is formed with reference to the Councils Corporate risk matrix. Each control weakness identified during an audit review is scored according to this matrix. Where \* shown this opinion is qualified when selected.

**Likelihood**

A Very High	Substantial or Limited*	Limited	No Assurance	No Assurance
B High	Substantial	Limited*	Limited Or No Assurance*	No Assurance
C Significant	Substantial	Substantial or Limited*	Limited	Limited Or No Assurance*
D Low	Substantial or Full*	Substantial	Substantial or Limited*	Limited
E Very Low	Full	Substantial or Full*	Substantial**	Limited
F Almost impossible	Full	Full	Substantial	Substantial or Limited*
	IV Negligible	III Significant	II Critical	I Catastrophic
	<b><u>Impact</u></b>			

## 7.0 CONTROL WEAKNESS – RISK RANKING

Priority Level:	Description:
High	Major issues for the attention of Senior Management. Action needs to be taken within a reasonable timescale to address significant control weaknesses and to ensure that the controls can be relied upon for the effective performance of the Service or function.
Medium	Issues for middle management action. These include control weaknesses that may expose the system function or process to a key risk but the likelihood of it occurring is significant rather than high.
Low	Minor matters. Low risk exceptions or improvements which help to improve service effectiveness and efficiency.

8.0 EXECUTIVE SUMMARIES

1.

Control Weaknesses Identified:		
High	Medium	Low
0	0	0

REVENUES SYSTEMS 2022/23

Overall Assurance Opinion:
Substantial Assurance
Full assurance was not given as there is an action from a previous audit not yet fully implemented. This relates to a system bug which has been fixed but is awaiting testing before live implementation.

Scope:	Control Weakness:	Control Improvement upon implementation:
<ul style="list-style-type: none"> <li>Contingency planning and restoring of data.</li> <li>Audit trails within the system.</li> <li>System and parameter updates and testing.</li> <li>System access controls.</li> <li>Register of interests.</li> <li>Information security.</li> <li>Payment runs.</li> <li>Registering of Housing Benefit and Council Tax Support claims.</li> <li>DWP EAS systems access and security.</li> </ul>	No control weaknesses were identified.	Not applicable.

**2.**

Control Weaknesses Identified:		
High	Medium	Low
0	3	0

**CREDITORS  
2022/23**

Overall Assurance Opinion:
Substantial Assurance
Agreed actions are scheduled to be implemented by 31/12/22

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>Efin system access (super users and Finance staff)</li> <li>Segregation of duties</li> <li>Duplicate payments monitoring</li> <li>BACS, cheque runs and manual cheque issues</li> <li>Security checks on bank account number changes</li> <li>Out of date cheques</li> <li>Performance - time to process invoices.</li> </ul>	<ul style="list-style-type: none"> <li>Although authorised by the appropriate Head of Service the authorised signatory forms were not in all cases countersigned by the Head of Finance &amp; Revenues/S151 Officer.</li> <li>Duplicate payment checks are undertaken but not on a regular and routine basis.</li> </ul>	<ul style="list-style-type: none"> <li>All authorisation levels are endorsed by the Head of Finance &amp; Revenues/S151 Officer to ensure access to financial information and the processing of financial transactions is appropriate to the officer's role.</li> <li>Any duplicate payments are promptly recovered from the supplier.</li> </ul>

3.

Control Weaknesses Identified:		
High	Medium	Low
0	2	3

**VEHICLE WORKSHOP 2022/23**

Overall Assurance Opinion:
Substantial Assurance – overall.
Limited Assurance - in respect of the control weaknesses identified around stock control and private work.
Agreed action is scheduled to be implemented by 31/01/23

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>• Stock management and security</li> <li>• Operator’s license and access to VOL</li> <li>• Safety inspections and defects reporting/rectification</li> <li>• Vehicle maintenance</li> <li>• Fleet management system</li> <li>• MOT inspections</li> </ul>	<ul style="list-style-type: none"> <li>• No evidence of escalation to either the Accountancy Manager or Head of Finance &amp; Revenues to authorise apportionment of the costs for unidentified stock items.</li> <li>• No written re-torque policy in place and the log does not include any reference to when a tyre was changed or re-torqued.</li> <li>• In respect of private work undertaken the hourly rate charged had not been recently reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>• Stock losses are properly accounted for.</li> <li>• All instances of wheel removal are documented.</li> <li>• The Council is covering its costs and not supplementing private work.</li> <li>• The Council’s insurance policy covers the risk and lone working risks are managed.</li> </ul>

	<ul style="list-style-type: none"> <li>In respect of private work undertaken there is no evidence that the mechanic's nominated person has attended the depot on weekends when other staff are not present in the workshop.</li> </ul>	
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**4.**

Control Weaknesses Identified:		
High	Medium	Low
0	1	0

**MEMBERS ALLOWANCES  
2022/23**

Overall Assurance Opinion:
Substantial Assurance
Agreed action is scheduled to be implemented by 31/12/22.

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>Members Allowance Scheme</li> <li>Basic and Special Responsibility Allowances</li> <li>Travel and Subsistence Claims</li> <li>Child Care and Dependent Carers Scheme</li> <li>Annual Publication</li> <li>Mayor and Deputy Mayor Allowances</li> </ul>	<ul style="list-style-type: none"> <li>VAT receipts for expenses are not provided or retained.</li> </ul>	<ul style="list-style-type: none"> <li>VAT is recoverable. If not provided VAT is not recoverable and could be picked up in an HMRC inspection.</li> </ul>

5.

Control Weaknesses Identified:		
High	Medium	Low
0	1	0

**CAR PARKING  
2022/23**

Overall Assurance Opinion:
Substantial Assurance
Agreed action has been implemented.

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>• CCTV coverage of car parking machines</li> <li>• Insurance cover for cash in the car park machines</li> <li>• Access to car park machine cash vaults and security of keys</li> <li>• Cash Collection contract and procedures</li> <li>• Income collection, banking and reconciliation from mobile phones</li> <li>• Income collection, banking and reconciliation from contactless cards</li> <li>• The recording, monitoring and reporting of surplus and losses</li> <li>• Emergency Cash Collection procedures</li> </ul>	<ul style="list-style-type: none"> <li>• The car parking machine vault key log signing in/out process had not been followed.</li> </ul>	<ul style="list-style-type: none"> <li>• Access to cash in the car parking machines is appropriately controlled minimising risk of theft and loss of income.</li> </ul>

6.

Control Weaknesses Identified:		
High	Medium	Low
0	7	0

**THE LIGHTS  
2022/23**

Overall Assurance Opinion:
Substantial Assurance - in respect of the governance, banking and income processes.
Limited Assurance - in respect of the security around access to the tills and the counting in of cash deliveries.
Agreed action was scheduled to be implemented by 31/10/22.

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>Governance arrangements.</li> <li>Income and banking processes, roles, and responsibilities.</li> <li>Venue resilience and contingency planning.</li> </ul>	<ul style="list-style-type: none"> <li>At the time of the audit security of till access codes was not fully maintained which resulted in a theft from the bar/café till (which was later repaid).</li> <li>Some volunteers have access to handling cash and financial transactions.</li> <li>Due to operational practicalities, during the day when the box office and café shifts finish cash ups are not always undertaken with a second officer present.</li> </ul>	<ul style="list-style-type: none"> <li>Prevention of theft.</li> <li>Compliance with the Corporate Volunteer policy.</li> <li>In the event of an undeclared cash discrepancies and cash losses accountability can be determined.</li> <li>Improved security of stocks</li> <li>Compliance with GDPR requirements and viewing of CCTV appropriately restricted.</li> <li>Cash losses do not occur on receipt of cash deliveries.</li> </ul>

	<ul style="list-style-type: none"> <li>• 10 officers currently have access to the 2 safes which contain both the takings and the cash floats.</li> <li>• At the time of the audit the door into the Atrium was unlocked potentially allowing unobserved public access to stocks. Keys were not kept on the person but in personal bags in the office behind the bar allowing access if unattended.</li> <li>• Access to review CCTV footage was carried out within the back office and the security of viewing was not appropriately restricted in accordance with GDPR requirements. Discussions were however underway with the Data Protection Solicitor to improve security.</li> <li>• A shortage of £60 in the spare float was reported which related to a cash delivery. Due to a delay in counting the floats and no formal training having been given to the officer counting in the cash accountability for the loss could not be determined.</li> </ul>	
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7.

Control Weaknesses Identified:		
High	Medium	Low
0	0	0

**£150 ENERGY REBATE PAYMENTS 2022/23**

Overall Assurance Opinion:
Substantial Assurance
There were no actions for this audit.

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>• There is a formally approved Energy Bills Rebate Policy.</li> <li>• The £150 rebate has only been paid to the Council Tax-payer of band A-D properties.</li> <li>• There is a formally approved policy for the Discretionary Fund.</li> <li>• Processes are in place to investigate possible inaccurate information.</li> <li>• Payment has been made as soon as possible after the first direct debit payment for 2022/23.</li> <li>• A remittance advice has been issued to all recipients of the energy rebate payment.</li> <li>• Measures are in place to manage the risk of fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• None were identified during the audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>

8.

Control Weaknesses Identified:		
High	Medium	Low
0	3	2

**PURCHASING CARDS  
2022/23**

Overall Assurance Opinion:
Limited Assurance
Agreed action is scheduled to be implemented by 31/12/22.

Scope:	Control Weakness:	Control improvement upon implementation:
<ul style="list-style-type: none"> <li>All purchasing cards are recorded and accounted for.</li> <li>Procedures are in place for the administration of purchasing cards.</li> <li>Analysis of purchasing card spend in issue.</li> <li>Procedure in place to ensure the correct use of purchasing cards.</li> <li>Spend is monitored and appropriately approved.</li> <li>Reconciliations are carried out and evidence retained.</li> </ul>	<ul style="list-style-type: none"> <li>No periodic reviews of the cards to identify when they were last used and if they are still needed.</li> <li>No documented approval from the Head of Finance &amp; Revenues for the issuing and authorisation of purchasing cards as stated in the Financial Procedure Rules.</li> <li>No segregation of duties between the officer ordering a card from the bank and activating and de-activating it, reconciling the card statement, posting to efin and receiving cards back when a cardholder leaves.</li> </ul>	<ul style="list-style-type: none"> <li>Minimisation of the risk of the purchasing card being used after the card holder has left TVBC and before 6 months of inactivity, when the card is blocked by the bank.</li> <li>The Head of Finance &amp; Revenues is aware of the number of purchasing cards in circulation and has approved the business case for their use.</li> <li>Cards are not mis-used and users are aware of what constitutes misuse. All purchases are confirmed to be for business use.</li> </ul>

	<ul style="list-style-type: none"><li>• Limited information issued to card holders regarding what constitutes misuse and the consequences of misuse.</li><li>• Monthly statements and receipts are not received or reviewed/authorised by the cardholder's line managers to confirm spend is legitimate before being posted.</li></ul>	
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9.

### FOLLOW UPS 2022/23

Scope:	Agreement and monitoring of actions:
Review of all actions arising from audit reviews which were due for implementation on or before 31/10/22. The results are summarised in the table below.	<ul style="list-style-type: none"> <li>• All actions arising from audit reports are agreed with the management responsible for the area/function. These actions are monitored by each Head of Service and recorded on the performance management system</li> </ul>

The following table shows only medium and low risks. There were no high risk actions identified in these years.

<b>Audit Actions:</b>	<b>Risk:</b>	<b>Total:</b>	<b>Complete:</b>	<b>In Progress/Pending:</b>
<b>2018-19</b>	Medium	27	25 (93%)	2 (7%)
	Low	43	42 (98%)	1 (2%)
<b>2019-20</b>	Medium	11	9 (82%)	2 (18%)
	Low	27	26 (96%)	1 (4%)
<b>2020-21</b>	Medium	28	21 (75%)	7 (25%)
	Low	20	19 (95%)	1 (5%)
<b>2021-22</b>	Medium	39	16 (41%)	23 (59%)
	Low	9	4 (44%)	5 (56%)
<b>2022-23</b>	Medium	16	8 (50%)	8 (50%)
	Low	6	6 (100%)	0 (0%)
<b>Total</b>		226	176 (78%)	50 (22%)

Year:	Number of Actions in Progress/Pending:	Audit Title:	Action description:
<b>2018-19</b>			
Medium	2	S106/CIL	These relate to the inclusion of updated guidance on evidence of spend and reconciliation processes.
Low	1	GDPR	This relates to the incorporation of a roles and responsibilities document into a wider Freedom of Information review.
<b>2019-20</b>			
Medium	2	GDPR (1 action)  IT Asset Management & Security (1 action)	This refers to the review of identified contracts where personal data is processed. The majority have been addressed but a small amount of work remains outstanding to close this action.  This refers to agreement and implementation of a hard drive disposal methodology.
Low	1	IT Asset Management & Security	This relates to the establishment of routine stock checks of IT Assets in stock, assigned to officers or deployed in Services.
<b>2020-21</b>			
Medium	7	Climate Emergency (Energy Management) (4 actions)	These relate to: <ul style="list-style-type: none"> <li>• The completion of an energy agreement and its retention in accordance with Contract Standing Orders.</li> <li>• Consideration of the impact on the Council's energy usage and the additional energy usage of staff working remotely.</li> <li>• Assessment of the energy practices of the Council's local data centres.</li> </ul>

		IT Business Continuity Planning (3 actions)	<ul style="list-style-type: none"> <li>The consideration of green credentials as part of the procurement process.</li> </ul> <p>These refer to:</p> <ul style="list-style-type: none"> <li>Redefining what the IT BCP looks like, in consultation with the corporate BCP project board.</li> <li>The identification of critical systems and their priorities within Service BCPs to determine the relative priorities for recovery.</li> <li>Subsequent testing of the BCP.</li> </ul>
Low	1	Treasury Management (1 action)	This refers to the amendment of the bank mandate pending appointment of new Deputy Chief Executive.

Those actions ranked as “Medium” risk include control weaknesses that may expose the system function or process to a key risk but the likelihood of it occurring is significant rather than high. Those ranked as “Low” include low risk exceptions or improvements which help to improve service effectiveness and efficiency.

## 9.0 CONTROL WEAKNESSES

Of the 8 2022/23 audits completed, where an opinion has been given 22 exceptions have been raised:

Risk:	No. of exceptions (actions):
High	0
Medium	16
Low	6

## **ITEM 10                      Audit Committee Work Programme**

Report of the Head of Finance and Revenues

### **Recommended:**

**That the work programme for the Audit Committee, as set out in the Annex to the report, be approved.**

#### **SUMMARY:**

- This report sets out an update to the work programme for the Audit Committee for the coming year.

### **1        Background**

- 1.1 A work programme for the Audit Committee was approved at its previous meeting in September.
- 1.2 This report introduces an updated work programme to cover the next year's reporting schedule, which is shown in the annex to the report.
- 1.3 The work programme is based on the functions that have been assumed by the Audit Committee from the previous General Purposes Committee; Overview & Scrutiny Committee; and Audit Panel arrangements.
- 1.4 The change from the work programme previously reported are:
  - Deferral of the approval of the statement of accounts to the next meeting
  - Deferral of the anti-fraud & corruption / whistleblowing report to the next meeting.

### **2        Options**

- 2.1 The options are whether to approve the work programme or make modifications to it.

### **3        Option Appraisal**

- 3.1 The recommended work programme covers all cyclical matters that can be planned in advance as regular work items. Additional items may be added throughout the year as and when the need arises.

### **4        Risk Management**

- 4.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

## 5 Resource Implications

- 5.1 The Audit Plan for 2022/23 has been based on the expected resources of the Internal Audit team. There are no additional resource requirements arising from this item.

## 6 Legal Implications

- 6.1 There are no legal implications arising from the recommendations in this report.

## 7 Conclusion and reasons for recommendation

- 7.1 The proposed work programme for the Audit Committee is based on the work previously carried out by the Audit Panel and those functions of other Committees that have been transferred to it.
- 7.2 It is therefore considered to provide a sound basis for the work required to be carried out by the Audit Committee during the year. There will be opportunities to add or amend items on this programme throughout the year.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
Author:	Carl Whatley	Ext:	8540
File Ref:	N/A		
Report to:	Audit Committee	Date:	12 December 2022

**Audit Committee Work Programme**

<b>Meeting Date</b>	<b>Item</b>	<b>Lead</b>
12 December 2022	2021/22 Audit of Accounts update  Internal Audit 2 <sup>nd</sup> quarter update 2022/23  Complaints Annual Report  Annual RIPA update  Audit Committee Work Programme update	Ernst & Young  Internal Audit Manager  Policy Manager  Head of Legal & Democratic Services  Head of Finance & Revenues
13 <sup>th</sup> March 2023	Internal Audit progress update 2022/23  Approval of the 2021/22 Statement of Accounts **  Internal Audit Plan 2023/24  Draft Annual Governance Statement 2022/23  Corporate Risk Register – 6 monthly update  Consideration of appointment of independent external member  Anti-fraud, whistleblowing and anti-corruption policies – annual update	Internal Audit Manager  Accountancy Manager  Internal Audit Manager  Head of Finance & Revenues  Internal Audit Manager  Head of Legal & Democratic Services  Internal Audit Manager
19 <sup>th</sup> June 2023	Audit Committee work programme  Internal Audit – annual report for 2022/23 and progress update 2023/24  External Auditor update – Audit Plan Report	Head of Finance & Revenues  Internal Audit Manager  Audit Manager, Ernst & Young

25 <sup>th</sup> September 2023	Internal Audit progress update 2023/24  2022/23 External Audit progress update  Corporate Risk Register – 6 monthly update	Internal Audit Manager  Audit Manager, Ernst & Young  Internal Audit Manager
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\*\* Depending on the conclusion of the audit work it may be preferred to arrange a special meeting for this item.