

MEETING:	Audit and Governance Committee
DATE:	Wednesday 14 September 2022
TIME:	2.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

AGENDA

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 3 - 12*)
To receive the minutes of the meeting held on 27 July 2022.
3. Work Programme Update Report and Work Programme (*Pages 13 - 20*)
4. Corporate Fraud Team Update Report (*Pages 21 - 28*)
5. Strategic Risk Register (*Pages 29 - 34*)
6. Internal Audit Annual Report 2021-22 (Final) (*Pages 35 - 56*)
7. Internal Audit Effectiveness Report (*Pages 57 - 66*)
8. External Audit Progress Report/Update (Verbal Report)
9. Corporate Finance, Performance Management and Capital Update (To Follow)
10. Local Government and Social Care Ombudsman Annual Review Letter 2022
(*Pages 67 - 72*)
11. Election Review (Verbal Update)

To: Chair and Members of Audit and Governance Committee:-

Councillors Lofts (Chair), Barnard, Hunt, Richardson, Ms K Armitage, Bandy, Mr S Gill, Mr P Johnson and Mr M Marks; together with Co-opted members Ms K Armitage, Bandy, Mr S Gill, Mr P Johnson and Mr M Marks

Sarah Norman, Chief Executive
All Executive Directors
Shokat Lal, Executive Director Core Services
Neil Copley, Service Director Financial Services (Section 151 Officer)
Rob Winter, Head of Internal Audit, Anti-Fraud and Assurance
Alison Salt, Corporate Governance and Assurance Manager
Sukdave Ghuman, Service Director Law and Governance (Monitoring Officer)
Michael Potter, Service Director Business Improvement, HR and Communications
Paul Castle, Service Director Environment and Transport
Kathy McArdle, Service Director Regeneration and Culture

Council Governance Unit – 3 copies

Please contact Daisy Thorpe on email governance@barnsley.gov.uk

Tuesday 6 September 2022

MEETING:	Audit and Governance Committee
DATE:	Wednesday 27 July 2022
TIME:	2.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

MINUTES

Present Councillors Lofts (Chair), Barnard, Hunt and Richardson together with Independent Members - Ms K Armitage, Mr S Gill and Mr P Johnson

19. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of interest from Members in respect of items on the agenda.

20. MINUTES

The minutes of the meeting held on 1 June 2022 were taken as read and signed by the Chair as a correct record subject to the deletion of the word 'Chair' from Minute 4 'Appointment of Vice Chair' and the substitution of the words 'Vice Chair'.

21. DRAFT STATEMENT OF ACCOUNTS 2021/22

The Service Director Finance submitted the draft 2021/22 Statement of Accounts which had also been the subject of a presentation at the training/awareness session immediately prior to the meeting.

It was noted that following this meeting the accounts would be made available for public inspection from 1st August to 12th September, 2022. They would also be subject to audit by the External Auditors between July and mid-October following which their ISA 260 report on the Audit findings would be presented to Committee in November and then to Council on the 24th November, 2022 for approval.

In response to specific questioning, Gareth Mills, representing the External Auditor commented on the ongoing challenges in recruiting suitably qualified staff, to work on public sector audits. He reported, however, that subject to no unforeseen circumstances occurring, the External Auditors were well placed to deliver the external audit in accordance with the statutory deadline of 30 November 2022.

RESOLVED

- (i) that the Service Director Finance and his Team be thanked for their hard work and dedication in producing the accounts;
- (ii) that the work that has taken place to prepare the Authority's Draft 2021/22 Statement of Accounts on an International Financial Reporting Standards basis be noted.

22. MR S GHUMAN - SERVICE DIRECTOR LAW AND GOVERNANCE

Mr S Ghuman, the recently appointed Service Director Law and Governance and Monitoring Officer for the Council, was welcomed to this his first meeting of the Committee.

23. DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report presenting the Authority's draft Annual Governance Statement (AGS) 2021/22. A copy of the draft Statement was appended to the report.

The Committee noted that the AGS was a statutory requirement as defined in the Accounts and Audit Regulations 2015 and had been prepared following an Annual Governance Review process as previously reported.

An Action Plan had been prepared to capture issues raised through the review process and this document would form the basis for the Committee monitoring throughout the year. The Action Plan was appended as Appendix 1 to the Draft Annual Governance Statement and outlined the items upon which further action was required. An update of the Action Plan would be submitted to the Committee throughout the year.

In the ensuing discussion, reference was made to the following:

- It was noted that the draft AGS was to be subject to independent audit which it was felt would give reassurance about the robustness of the process
- The format of the AGS was welcomed being easy to read and understand
- There was a discussion as to whether or not a commentary on the outcome of Ofsted Inspections should be specifically included within the AGS. It was noted that information relating to the inspections had been included as it provided a further source of information and assurance about the broader governance arrangements in place. It was also noted that details of the inspections undertaken were available from the Ofsted website
- It was noted that there was no reference to the error made at the count for the municipal elections held in May 2022. A full independent investigation had been undertaken and whilst no systemic failings had been found, as the failings had simply been human error, a number of recommendations had been made for improvements going forward. A report was to be submitted to Cabinet shortly recommending the adoption of the revised arrangements. A discussion then ensued as to whether or not reference should be made to the issue within the AGS. On balance, and on the advice of the Monitoring Officer, it was suggested that inclusion was warranted and was good practice on the basis that it demonstrated that the issue had been investigated and matters arising from it had been addressed
- Reference was made to the action recommended in relation to procurement and Contract Management, the timescale for which was April, 2024. The Service Director Finance stated that there were no particular concerns, but any suggestions as to improvements/efficiencies was welcomed

RESOLVED:

- (i) That the draft AGS, which reflects the governance arrangements in place and the actions arising from the annual governance review process, be noted;
- (ii) That the final AGS be presented to the Committee at its meeting to be held on the 16th November, 2022 where the Final Accounts will be presented alongside the External Auditor's ISA 260 report and thereafter to the Council on the 24th November, 2022 for approval; and
- (iii) That the Committee receive updates on the progress of the actions identified in the AGS Action Plan at future meetings.

24. INTERNAL AUDIT INTERIM ANNUAL REPORT 2021-22

The Head of Internal Audit, Anti-Fraud and Assurance submitted his interim annual report on the adequacy and effectiveness of the Authority's Internal Control Arrangements based on the work of Internal Audit for 2021/22 which had been prepared in accordance with the Public Sector Internal Audit Standards.

In order to comply with these Standards, the report provided:

- An opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control
- A summary of the audit work undertaken to formulate the opinion
- Details of key control issues identified which could be used to inform the Annual Governance Statement
- The extent to which the work of other review or audit bodies had been relied upon.

Appendices to the report provided a summary of Internal Audit reports for the year, details and outcome of other audit activities, projects and work currently in progress, agreed management actions and the Financial Year End Performance Indicators 2021/22.

The report indicated that based on the overall results of Internal Audit work undertaken to date, together with the management's implementation of agreed management actions, the interim opinion given was a reasonable (positive) assurance. This was based on an agreed programme of risk-based audit coverage that had enabled a valid indicative assurance opinion to be provided.

There was clearly a positive culture in the Council to explore where control and governance improvements could be made, and it was important that this culture remained and focused on maintaining an appropriate risk-based and effective framework of governance as the authority faced significant financial and operational challenges whilst continuing to work towards the Barnsley 2030 vision.

The key results from all completed audits had been reported previously within the Internal Audit progress reports and these were summarised in this report. Throughout the year the Committee had also been made aware of progress in the

implementation of agreed management actions to address findings and implications arising from audit work.

The current Audit Plan for 2022/23 focussed on supporting management to consider the approach to controls in the context of the achievement of the strategic objectives and priorities and the major change/transformation programme ahead, for example, the Adults Social Care Funding Reform.

RESOLVED:-

- (i) that the interim assurance opinion provided by the Head of Internal Audit, Anti-Fraud and Assurance on the adequacy and effectiveness of the Authority's framework of governance, risk management and control be noted; and
- (ii) that the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement be noted.

25. INTERNAL AUDIT PROGRESS REPORT 2022/23

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report which was presented by Sharon Bradley, Internal Audit Manager, which provided a summary of the Internal Audit activity completed, and the key issues arising from it, for the period 1st April to 26th June, 2022.

Members were informed of the progress of the delivery of the Internal Audit Plan analysed by the number of plan assignments producing a report and audit days delivered by Directorate/Service and in relation to external clients. It was pleasing to note that there were no concerns raised in relation to the delivery of days. In addition, recent appointments had been made and, once all personnel were in post, the section would be fully resourced.

Members noted the audit reports issued within the period, the other internal audit activity together with details of other work undertaken in an advisory or consultancy basis, contributed to the assurance opinions given, as appropriate.

Sharon Bradley commented on the current position with regard to the follow up of agreed management actions with management. She particularly highlighted one report within the Children's Services Directorate which had not yet been completed and was awaiting a management update at the time of drafting the Audit and Governance report. She stated that work was ongoing, and a revised implementation date was to be agreed with management, but this was reliant on resources within Information Services and the Communications Service to support Children's Services to develop their intranet/extranet.

Information was also provided on the reasons for the number of actual days delivered in relation to Children's Services compared to the number of planned days. It was noted that this was largely in line with the planned schedule.

RESOLVED:-

- (i) The issues arising from completed Internal Audit work in the period along with the responses received from management be noted;
- (ii) That the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period be noted;
- (iii) That the progress against the Internal Audit plan for 2022/23 for the period be noted.

26. STRATEGIC CONCERNS/RISK REGISTER

Carly Speechley, the newly appointed Executive Director Children's Services was introduced to Members and welcomed to this, her first meeting of the Committee.

She was attending to discuss the strategic risk associated with Children's Services and specifically the following risks:

- Potential death of a child/Safeguarding failure in Children's Services; and
- Special Educational Needs and Disabilities (SEND)

With regard to the first risk, there was a need to continually appraise the controls to minimise the potential for death of a child or safeguarding failure in Children's Services and a need to be able to identify any changes which may weaken current levels of assurance. It was noted that factors impacting on this, and which should be assessed, included the impact of Covid 19 upon both families and workforce capability, increasing poverty which had increased need and demands for services and increasing caseloads which presented a risk. Future financial settlements could impact on service provision as well as an awareness of system pressures including workload. It was noted that if systems broke down there was a potential for huge reputational damage (as seen in a number of UK authorities) which included the removal of the Director of Children's Services and government imposition of Commissioners to run services until improvements were made. Information was provided about the status of this risk and the response rating in relation to the 6 Actions associated with the risks. Details were also provided about the work that was currently being undertaken to address these actions as well as the progress being made in this respect.

With regard to the second risk, the Joint Area SEND Inspection in 2021 had set out progress made and areas for improvement. The SEND Improvement Programme was addressing the Written Statement of Action which had been submitted to Ofsted by the deadline of 28th February, 2022 and approved. The strategic, multi-agency SEND Oversight Board provided governance, oversight and improved capacity to ensure all actions were completed in a timely way. Quarterly performance and finance reports were provided to the Council's Senior Management Team and to Cabinet. The Statement of Action would ensure a clear focus on the two areas of weakness identified during the inspection namely, improving parent engagement and influence on strategic decision making and the early identification, support and improved outcomes of children receiving SEN support in local provision, avoiding

escalation of need and out of borough placements. Key issues were, therefore to ensure accelerated progress against the Statement of Action and the implementation of the Improvement Programme to address the areas for improvement. Information was also then provided about the status of this risk and the response rating in relation to the 5 Actions associated with the risks. Details were also provided about the work that was currently being undertaken to address these actions as well as the progress being made in this respect.

In the ensuing discussion, particular reference was made to the following:

- The Executive Director commented on the monitoring of staff workloads that was taking place particularly in relation to Action 3 of the first risk and to the difficulties that had exacerbated issues due to staff vacancies. She particularly commented on the specific challenges associated with the staffing vacancies and of the importance of having staff who were correctly trained and of the calibre required.
- Arising out of this discussion, reference was also made to the arrangements in place to ensure that no issues arose when cases were 'closed'. An assurance was given that all the necessary checks were made to ensure that children were not left in a vulnerable position
- In response to specific questioning an update was provided of the work of the Practitioner Sub Group

RESOLVED that thanks be given for the updates and the updates be noted.

27. COUNCILLOR DECLARATIONS OF INTEREST

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report confirming the Council's compliance with the requirements for Councillors to submit annual declarations of interest.

In the ensuing discussion, the following matters were raised:

- Whilst there were no specific verification arrangements in place to ensure that Councillors declared the matters they should, some basic checks were made to ensure that various sections were completed. A process was, nevertheless in place, organised by staff of the Council Governance Unit, to ensure that declarations were submitted and appropriately processed. There was also a specific requirement within the Members Code of Conduct to require declarations to be appropriately made. If anything untoward was found appropriate sanctions could and would be taken. From a governance point of view, all the necessary systems were in place to ensure that existing Members were reminded to submit their annual review of their declarations and for new Members to submit their declaration within 28 days of them being elected
- Arising out of the above, Gareth Mills, representing the External Auditor commented that as part of their role they examined both Member and Officer declarations of interest. He made particular reference to sampling checks made including with Companies House to investigate where or not appropriate declarations about transactions with other organisation were made. No particular issues had been found previously although recommendations for improvements had been made within the Value for Money report in March.

Both he and Thilina de Zoyza would be looking at developments and actions arising, and reference would be included within the report later in the year

RESOLVED that the report be received and the assurance regarding the Council's compliance with this important element of public accountability be noted.

28. EXTERNAL AUDIT PLAN 2021-22

The Committee received a report from the External Auditor providing an overview of the planned scope and timing of the statutory audit of the Council.

The report outlined factors impacting the Audit and the Audit Plan and particularly reference was made to financial developments, the significant impact on the Council of the Covid 19 pandemic, the overall economic environment as well as the projects in place to tackle climate change.

It was noted that the Council was required to prepare group financial statements that consolidated the financial information for both the Council, Bernesali Homes and Penistone Grammar School Trust

In relation to significant risks, the External Auditor would communicate any significant findings in relation to Management override of controls, Valuation of Land and Buildings and Valuation of the net Pension Fund Liability (as well as other significant matters arising from the audit) in their Audit Findings Report.

The planning materiality had been determined to be £8.805m for the Group and £8.721m for the Council which equated to 1.5% of the gross expenditure on the cost of services in the previous year. The External Auditor would also continue to report uncorrected omissions and misstatements other than those that were 'clearly trivial' – the 'clearly trivial' threshold had been set at £430,000. Following the publication of the 2021/22 draft accounts, and prior to starting the detailed audit work, the auditors would revisit the materiality calculation and update as necessary. Any changes to the materiality levels would be detailed within the ISA 260 report submitted later in the year.

The risk assessments regarding the arrangements to secure Value for Money had identified one possible significant weakness in the council's arrangements relating to the Ofsted Inspection of November 2021 on implementing Special Educational Needs and Disabilities reforms. The External Auditors had also identified this as a key recommendation issue in their 2020/21 Value for Money work and this was included within their Annual Report. As this inspection was carried out and reported in 2021/22 they considered this a continuing issue in the Value for Money arrangements for 2021/22 and as part of the review for 2021/22, they would follow up the Council's actions in relation to the Ofsted findings. In relation to the arrangements to secure Value for Money, no other risks of significant weakness had been identified at this stage, but this would be kept under review as the audit progressed.

Interim visits had taken place in March and April and the bulk of the final visit would take place from late July to September. The finalisation and completion work was targeted to take place in accordance with the national deadline for audited accounts

of 30th November, 2022. The key deliverables were outlined in the Audit Plan and the Audit Findings report was due to be presented to this Committee on the 16th November, 2022 and the Annual Report on the VFM work would be presented in January 2023.

The audit fee had been set at £180,468 (an increase from £180,218 in the previous year) but was subject to the Council meeting their requirements.

Reference was also made to the requirement for the External Auditor to obtain an understanding of the Information Systems relevant to financial reporting in order to identify and assess any risks of material misstatement. The report then outlined the areas currently identified to be within the scope of the audit.

The report also detailed other matters within the External Auditor's responsibilities together with the progress made against prior year audit recommendations and the risk assessment against each item.

In the ensuing discussion, the following matters were highlighted:

- It was anticipated that from 2023 the previous timetable for the External Audit work would be reintroduced
- The tender process for External Audit Work for the next five-year period had now commenced
- Reference was made to the valuation of land and buildings, to the way in which such valuations were made and to the impact this could have on the accounts, the likelihood of a material financial statement error and why the valuation of land and buildings this was considered to be a significant risk. It was noted that reference to this had also been made within the training/awareness session held prior to this meeting
- In response to specific questioning, the External Auditor gave a brief outline of the progress being made with regard to the Financial Reporting Council inspection of the audit work and Value for Money Work for Barnsley Council. He was hopeful, based on other similar inspections/audits in which he was involved, that the inspection findings would be positive and a report on should hopefully be available by September

RESOLVED that the External Audit Plan 2021/22 be noted and, insofar as this Committee is concerned, the action to be taken be supported.

29. WORK PLAN 2022-23

The Committee received a report, presented by Alison Salt, Corporate Governance Assurance Manager, providing the indicative Work Plan for the Committee for its proposed scheduled meetings to 26th April, 2023.

It was noted that the Work Plan for this meeting had had the following items removed from the agenda:

- Financial Regulations – these were undergoing a final round of consultation with subject matter experts and would be re-scheduled for presentation to the September meeting

- Covid updates – this item had been removed from the work plan as a regular update as there were other Committees that had oversight of this issue. Information on Covid would be provided on the extranet site for Members of the Committee

RESOLVED that the Work Plan be noted.

30. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the public and press be excluded from this meeting during the consideration of the following item in view of the likely disclosure of exempt information as defined by Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

31. GLASSWORKS UPDATE

Kathy McArdle, Service Director Regeneration and Culture, provided an update during which Members were informed of progress made in relation to lettings, to potential opening dates for other secured tenants together with details of a number of interested operators for available units.

It was noted that progress was being made with regard to the mix of retail, leisure and social use and reference was also made to the use of various units by the NHS.

Information was also provided in relation to the planning for the opening of the Cinema complex and about the success of recent activities within the Glassworks 'square'.

In the ensuing discussion, particular reference was made to the following:

- The current position with regard to the future development proposals for the wider Town Centre and the consideration of the development of a town centre strategy particularly within the context of a national change in the retail landscape
- The proposals to undertake a post investment appraisal and to develop a strategy/proposal to ensure that the Glassworks and town centre remained fit for the future and meet long term and developing needs and aspirations
- The work of the Events Team was noted and their hard work was welcomed. Kathy McArdle commented that there was an ongoing marketing and communications plan, but it was noted that proposals were in hand to improve the communications strategy further for such events. Details of the marketing strategy could be shared with Members
- Work was ongoing to try to ensure that any empty stalls within the market were occupied or repurposed
- Reference was made to the footfall within the town centre and Kathy McArdle stated that performance data on this could be provided

RESOLVED that the update be noted.

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Chair

**Report of the Head of Internal
Audit, Anti-Fraud and Assurance**

Audit and Governance Committee – 14th September 2022

WORK PLAN 2022 – 2023

1. Purpose of the Report

- 1.1 To share with the Committee the current version of the Work Plan – Appendix 1 and to note any amendments to the plan.

2. Recommendation

- 2.1 The Committee is asked to note the updated Work Plan.**

3. Updated Position

- 3.1 The work plan for 14th September meeting has had the following items removed from the agenda:

- Financial Regulations – these are undergoing a final round of consultation with subject matter experts and will be re-scheduled for presentation to the November meeting of the committee
- Glasswork's update – the strategic risks being considered in the September meeting will be covering Glassworks and Inclusive Economy so there was no requirement to have a separate item on Glasswork's update.
- AGS Action Plan – this item will be programmed for future meetings once the final AGS has been approved in November

- 3.2 The following item has been added to the work plan for 16th November meeting:

- Annual Report of the Audit and Governance Committee

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 1 September 2022

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AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME

2022/2023 Municipal Year

NOTE – all Meetings to commence at 2.00 p.m.

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	7
Committee Work Area	Contact / Author	01.06.22	27.07.22	14.09.22	12.10.22	16.11.22	18.01.23	15.03.23	26.04.23
Committee Arrangements									
Committee Work Programme	AS	X	X	X		X	X	X	X
Minutes/Actions Arising	WW	X	X	X		X	X	X	X
Review of Terms of Reference	AS				X				
Self-Assessment/Effectiveness Review	RW				X			X	
Internal Control and Governance Environment									
Local Code of Corporate Governance	SG/AS						X		
Annual Governance Review Process	AS						X		
Annual Governance Statement (Draft/Final)	AS		X(D)			X(F)			
AGS Action Plan Update	AS	X					X		X
Annual Report	AS					X			
Anti-Fraud									
Annual Fraud Report	RW	X							
Corporate Anti-Fraud Plan	RW	X (Ex)							
Corporate Anti-Fraud Strategy	RW							X	
Corporate Fraud Team – Update Report	RW			X				X	
Corporate Risk Management									
Risk Management Policy & Strategy	AS								X
Annual Risk Management Report	AS	X							
Strategic Risk Register	AS	X	X	X		X	X	X	X
Internal Audit									
Internal Audit Charter (Annual)	RW	X							
Internal Audit Plan	RW	X (Ex)					X		X
Internal Audit Quarterly Report	RW		X			X		X	

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	7
Committee Work Area	Contact / Author	01.06.22	27.07.22	14.09.22	12.10.22	16.11.22	18.01.23	15.03.23	26.04.23
Internal Audit Annual Report (Interim / Final)	RW		X (I)	X(F)					
IA Effectiveness Report / Update				X					X
External Audit (Grant Thornton)									
Audit Finding Report (ISA260 Report)	GT					X			
External Audit Plan (2021/22)	GT		X						
Auditors Annual Report on 2021/22 VFM Arrangements	GT						X		
External Audit Progress Report/Update	GT		X	X		X	X	X	X
Financial Reporting and Accounts									
Financial Regulations	NC/SLo					X			
Medium Term Financial Strategy	NC/SLo							X	
Statement of Accounts (Draft / Final)	NC		X(D)			X(F)			
Corporate Finance and Performance Management & Capital Programme Update	NC			X				X	
Treasury Management Annual Report	NC		X						
Treasury Management Progress Report (inc. in the corporate finance update)	NC							X	
Treasury Management Policy & Strategy Statement (inc. in the MTFS update)	NC							X	
Designated Schools Grant (inc. in the MTFS update)	NC							X	
Other Corporate Functions contributing to overall assurance programme to be determined:									
Update on Glassworks	KMcA		X (Ex)			X		X	
Information Governance and Cyber Security update (twice yearly)	SJH	X				X			
DPO Update (twice yearly)	RW	X				X			
Human Resources (annual)	MP/JH						X		

Strategic Risk Presentations

Risk	SMT Lead	01.06.22	27.07.22	14.09.22	12.10.22 (Dev. Mtg.)	16.11.22	18.01.23	15.03.23	26.04.23
Community Resilience	WL	X							
Safeguarding Children	CS		X						
SEND	CS		X						
Glassworks	MO'N			X					
Inclusive Economy	MO'N			X					
Partnership and Collaboration Governance	SLa					X			
Health Protection (CV19)	JB					X			
Emergency Resilience	SLa					X			
Safeguarding Adults	WL	X							
Responsibilities under the Care Act 2014	WL						X		
Educational Outcomes Progress	CS						X		
Financial Sustainability	NC							X	
Threat of Fraud	SLa							X	
Organisational Resilience	SLa								X
Zero Carbon and Environmental Commitments	MO'N								X

Training / Awareness Sessions

NOTE – Training session to commence at 1.00 p.m.

Subject / Theme	Contact / Author	01.06.22	27.07.22	14.09.22	12.10.22 (Dev. Mtg.)	16.11.22	18.01.23	15.03.23	26.04.23
Treasury Management Presentation	SL/PD/Hi			X					
Statement of Accounts (30 mins)	SL		X						
Procurement	CA						X		
VFM	SL/PD								
Council Plan	SLa								
Climate and Sustainability Commitments	KMcA/SC					X			
People Strategy	MP/PQ							X	
Role of the Monitoring Officer	SG								
Designated Schools Grant	NC								
Partnership Governance	NC/RW								
MCA – Understanding the Finances	NC								

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**Report of the Head of Internal Audit,
Anti-Fraud and Assurance**

AUDIT AND GOVERNANCE COMMITTEE – 14th September 2022

CORPORATE ANTI-FRAUD TEAM PROGRESS REPORT

1. Purpose of the Report

1.1 This report provides the Audit Committee with an account of the work of the Corporate Anti-Fraud Team from 1st April 2022 to 31st August 2022.

2. Recommendations

2.1 It is recommended that:-

- i. The Audit Committee notes the progress report covering the period 1st April to 31st August 2022.**
- ii. The Audit Committee continues to receive regular progress reports on internal and external fraud investigated by the Corporate Anti-Fraud Team.**

3. Background Information

3.1 The Audit Committee received details of progress in the Annual Fraud Report presented at the June meeting. This progress report highlights the work undertaken in respect of fraud management and investigations during the first five months of 2022/23.

3.2 Following a Finance Business Unit restructure (effective from June 2022) the team has been expanded from three to four officers and a successful recruitment exercise has been undertaken to fill two vacant positions. The team now comprises a Principal Auditor (Corporate Anti-Fraud), a Senior Corporate Investigations Officer and two Corporate Counter Fraud officers.

4. Counter Fraud Work

Fraud Alerts and Scams

4.1 Regular fraud alerts have been received from the National Anti-Fraud Network (NAFN). These bulletins have provided information and intelligence on emerging fraud threats and trends affecting members of the public and both the private and public sectors. The fraud risks have been shared with relevant officers and/or published via Corporate Communications or School Bulletins where applicable.

4.2 The Team have received nine alerts in the current financial year with payment diversion fraud being the main fraud attempt reported nationally. The Council has not made any payments to any of the suppliers concerned.

- 4.3 An alert relating to business rates fraud (July) did refer to an individual recognised by the CAFT and Business Rates Team. This individual had previously come to the attention of the CAFT in September 2021 by registering for business rates, making an overpayment on the account (via a bank card) and then requesting a refund to a bank account. The fraud had been prevented, by the Business Rates Team, as information provided by the fraudster was not supported by know facts relating to the business premise.

5. National Fraud Initiative (NFI)

- 5.1 The NFI is the Cabinet Office's public sector data matching exercise. The main exercise takes place every two years and datasets in respect of the 2020/21 exercise were submitted in October 2020 and matched across systems and against data submitted by other organisations to identify potential fraud and/or error.
- 5.2 It is not a requirement that all matches are investigated and the CAFT have prioritised Key Reports (which relate to higher risk matches).
- 5.3 Outcomes from the 2020/21 have previously been reported to the Audit and Governance Committee and, as the 2022-23 exercise is due to commence in October, no further work is being conducted on these matches.
- 5.4 The Cabinet Office also requires council tax and electoral register data to be matched annually in order to identify potential single person discount fraud or error. Matches in respect of the latest exercise have identified errors totalling £23,821.72 with potential savings of £27,249.88*.

* The NFI Outcomes Methodologies calculate estimated savings by multiplying the annual council tax discount by 2 years.

6. Reactive Fraud Work

Investigations

- 6.1 A summary of the CAFTs reactive investigation work for the period April to August is shown at Appendix A.

Counter Fraud Checks

- 6.2 The CAFT continue to provide counter fraud checks of submitted insurance claims and Right to Buy applications. These checks, including financial and residential verification, provide assurance that the claims/applications are genuine and bona fides.
- 6.3 CAFT has undertaken checks against 21 insurance claims during the financial year to date. These checks did not identify any evidence of fraud.
- 6.4 CAFT has undertaken checks against 57 RTB applications during the financial year to date. A summary of these referrals is shown below.

Details	No.
No evidence of fraud	53
Referred to DWP	1
Ongoing	3
Total	57

7. Preventative Work

- 7.1 The CAFT continue to have a focus on the preventative side of fraud.
- 7.2 Fraud awareness e-learning is incorporated into the induction process for new employees. Since April, a total of 122 employees have completed the training. This e-learning is currently being refreshed and revised and is due to be relaunched by the end of September.
- 7.3 Fraud transparency data has continued to be reported on the website as part of the Local Government Transparency Code 2015.
- 7.4 Other counter fraud work includes:
- Virtual attendance at the South Yorkshire Police Barnsley District OCG Bronze meetings;
 - The Principal Auditor (CAF) is a Yorkshire and Humberside Regional Representative for the 'Fighting Fraud and Corruption Locally' (FFCL) Regional Operational Group and a member of two national working groups which aim to share good practice in relation to data analysis and social care fraud;
 - The Principal Auditor (CAF) has attended virtual conferences and seminars to assist with the team's continuing professional development;
 - All CAFT officers are members of the Midlands Fraud Forum receiving weekly newsletters of fraud related news items, warnings of scams and alerts and good practise. Warnings are communicated to the relevant service area or publicised via Corporate Communications.
 - The two Corporate Anti-Fraud Officers have commenced a professional training qualification to become Accredited Counter Fraud Specialists;
 - A review and development of corporate training material through the POD system.
- 7.5 The progress and results of this work will be included in future reports to the Committee.

8. Emerging Risks

- 8.1 The Covid-19 pandemic and the current cost-of-living crisis have increased, and continue to increase, fraud risks for local authorities and members of the public. These risks mainly relate to organised crime attacks and social engineering fraud, although 'opportunistic' frauds have also increased nationally.
- 8.2 Meetings of the national and regional groups mentioned above have reported increases in the following types of fraud:

- Employee irregularities: working for more than one employer while working from home; working whilst off sick; taking payments over the phone while working at home and misusing payment card details; forging sicknotes (it was suggested that the lack of face to face doctor appointments may be making it easier for people to convince GPs to provide a sicknote); providing false references; misuse of corporate procurement cards (closure of main offices has increased the likelihood of items being ordered and delivered to home addresses).
- Increases in creditor and payroll diversion attempts which are becoming more sophisticated. In several cases the contact details of employees have been obtained that are not easily available e.g., admin staff whose details are not on the corporate website. Whilst this may suggest an "inside job", it may also be likely that fraudsters are trawling sites such as LinkedIn to identify staff with roles of interest in an organisation, and relevant working relationships between staff e.g., identifying an officer and their line manager. Most of these attempts rely on some form of social engineering, but there has also been a reported increase in the number of direct hacks of email accounts, either of suppliers or employees, leading to the accounts being "spoofed" in order to commit fraud.
- Evidence of organised crime groups/networks targeting local authorities - either direct attacks or involvement in activity affecting council services e.g., business rates, empty property fraud.
- Increase in tenancy fraud, possibly owing to fewer tenancy audits being carried out in the last 24 months.
- Misuse of service users' personal finances.

8.3 A Fraud Risk Vulnerability Self-Assessment document is currently being developed which will enable senior managers to assess their own services fraud risk vulnerability. The document provides a list of potential fraud risk areas and prompts senior managers to consider changing fraud and corruption risks as the Council moves to different ways of operating e.g., agile working, increasing use of online applications. The self-assessment will be issued to senior managers by the end of September recommending that the document is considered and completed at a service management team meeting.

8.4 The House of Lords has established a Committee to consider potential changes to the Fraud Act 2006, and identify measures required to mitigate the growing risk from cyber-enabled fraud. The Fighting Fraud and Corruption Locally Operational Group, referred to at 7.4 above, have provided a response on behalf of all local authorities. The main requests from local government were for:

- an extension of powers to enable local authority Authorised Officers to require the provision of information in relation to suspected offences

under the Fraud Act to mirror those in the Protection of Social Housing Fraud Act for example.

- an extension of the scope of summary offences to enable more cases to be heard in Magistrates' Courts.
- additional powers for local authorities to issue fines or civil penalties, similar to those currently available under Council Tax Support legislation, in relation to other services.

9. Plan Progress

9.1 A total of 645 days has been allocated to the Corporate Anti-Fraud Team for reactive and proactive fraud work in 2022/23.

9.2 The following table shows the progress of the Corporate Anti-Fraud Team plan delivery as at 31st August 2022 against the FFCL areas.

FFCL Area	Planned Days	Actual Days
Govern	83 (13%)	33 (40%)
Acknowledge	91 (14%)	31 (34%)
Prevent / Detect	275 (43%)	69 (25%)
Pursue	140 (22%)	73 (52%)
Protect	20 (3%)	0
Contingency	36 (5%)	0
Total	645 (100%)	206 (32%)

9.3 The key priorities over the next few months are shown below. These will be reported back to the Committee within the next update in March 2023.

Ref	Action	Timescale
1	Fraud Risk Vulnerability Self-Assessment	September 2022
2	Review of Fraud Awareness E-Learning	October 2022
3	Review of Privacy Notices	October 2022
4	Review / Corporate Use of NAFN	October 2022
5	Co-ordination of the 2022/23 NFI exercise	October 2022

10. External Clients

10.1 Whilst the primary focus for the CAFT is the Council, the team also offers a counter fraud service to Internal Audit's external clients. This external work is only undertaken where it is in the best interests of both the external client and the Council in respect of competing priorities and resources.

11. Financial Implications

11.1 The structure and budget that CAFT operate within has proven successful and provides sufficient resource required to carry out an efficient value for money anti-fraud service.

11.2 Identifying a definite amount to be recognised as the impact of the CAFT is difficult beyond such results as the single person discount and other benefit fraud work as much of the work of CAFT is about avoiding loss. The NFI

produce an 'Outcomes Calculation Methodology' document that seeks to put a value on the results of 'fraud avoidance'. For example:

£575 per blue badge cancelled to reflect lost parking charges
£93,000 per property recovered through tenancy fraud
£72,000 per Right to Buy application withdrawn

11.3 These (and other) calculations are used to estimate the national impact of fraud. Reflecting on these figures together with the periodic results from SPD exercises demonstrates that the CAFT more than pays for itself every year in direct activity and contributes additional fraud / loss avoidance through fraud awareness training, policy review and advice.

12. Risk Considerations

12.1 Somewhat obviously, the process prompted by this work is focussed entirely on the effective assessment of fraud risk.

Contact Officer: Head of Internal Audit, Anti-Fraud and Assurance
Email: robwinter@barnsley.gov.uk
Date: 1st September 2022

Summary of Reactive Work

Fraud Type	b/f from 21/ 22	Referrals Received	Referrals Total	Referrals Accepted	Referrals Rejected	Investigations Closed	In progress	Frauds No.	Prosecutions No.	Other Action	Value	Notional
Blue Badge	0	2	2	1	1	0	1	0	0			
Council Tax	5	12	17	7	10	1	6	0	0		£251.73	
Council Tax SPD	5	23	28	9	19	1	8	0	0	1 case identified a non-eligible discount	£296.83	
CTRS	4	40	44	4	40	1	3	0	0	Overpayment of discount identified	£301.52	
Housing Benefit	2	11	13	3	10	0	3	0	0			
NDR	0	1	1	1	0	0	1	0	0			
Tenancy	15	13	28	21	7	1	6	0	0	The tenancy of one property was terminated due to non-residency		£93,000
Social Care	0	2	2	2	0	0	2	0	0			
School Admissions	0	1	1	1	0	0	1	0	0			
Corporate	0	2	2	1	1	0	1					

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Audit and Governance Committee – 14th September 2022

STRATEGIC CONCERNS / RISK REGISTER

1. Purpose of the report

- 1.1 To introduce the next scheduled strategic risks for the Audit and Governance Committee meeting to consider as presented by the appropriate Executive Director / Service Director.
- 1.2 Two strategic risks will be considered at this meeting:
- Glassworks – Executive Director Growth and Sustainability
 - Inclusive Economy – Executive Director Growth and Sustainability

2. Recommendation

2.1 The Committee is asked to note the update.

3. Current Position

- 3.1 The Strategic Risk Register was reviewed by the Senior Management Team (SMT) on 30th August and continues to contain 15 risks. SMT determined that 6 risks be classified as **high** (red response rating*) and 9 risks be classified as **medium** (amber rating). No risks are classified as **low** (green rating) in relation to the level of response and intervention required.

* NOTE - The response rating reflects the degree of urgency and importance of the interventions and management oversight rather than the inherent risk.

- 3.2 The actions associated with the 2 risks to be considered in the meeting are included in the attached summary in Appendix 1.

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 1st September 2022

Strategic Risks to be reviewed in the meeting – September 2022

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Glassworks	<p>Risk Description: As a key strategic investment for the Council there is a need to ensure the ongoing success of the Glassworks. There are clear financial and reputational implications should the project fail to have the intended economic and social outcomes. The centre is currently 80% let, with a further 11% of floorspace in legals/advanced discussions, but there are a number of key risks still to be managed: the ongoing impact of the pandemic and changing consumer patterns for leisure and retail, continued competition from other more prosperous cities and locations for national and regional businesses; the ongoing challenges of bedding in the centre management team, systems and processes; the need for a life-cycle maintenance approach and the need to continue to push for tenant openings to build consumer confidence.</p> <p>Risk Assessment: Footfall in the town centre is consistently high and Barnsley is currently Number 2 in the Centre for Cities Top 10 for town centre footfall recovery. We have had enormous success in securing lettings for the scheme, but this is an increasingly competitive market, and we need to continue to offer a compelling value proposition to attract the final wave of businesses into the centre to bring us to close to 95% occupancy. The phased opening has worked well but there are continued issues with delays from supply chains for fitout, and issues businesses are having with securing energy suppliers. Our lettings agent Queensberry is working closely with us to mitigate these risks, but they require constant attention and momentum to address them on a daily basis.</p> <p>Action 1 Assurance regarding the effectiveness of the Glassworks Board and supporting subgroups RAG rating – Green</p> <p>Action 2 Assurance regarding the effectiveness of Glassworks leasing and intelligence around the retail sector to influence lettings RAG rating - Green</p>	Potential	Actual	Medium	ED Growth and Sustainability

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 3 Robust and timely financial monitoring and reporting is in place. RAG rating – Green</p> <p>Action 4 Agreed Centre Management Plan is in place for the effective management of the Glassworks and an experienced Centre Management team with prior experience of operating centres like this has been put in place. The Centre Management team are being supported by a number of key Council teams to ensure the correct policies and procedures are in place, as well as receiving support from the Audit team. The CM team meet monthly to review all key issues and these meetings are attended by the SD Regen and Culture. The CM team also feed in regularly to GW Board. RAG rating – Amber</p> <p>Action 5 Monitoring town centre footfall and tracking trends is vital to ensure the Glassworks is delivering for residents, visitors and businesses. RAG rating – Green</p> <p>Action 6 Engage positively with CineWorld to identify their opening date and put in place a joint proactive pr, media and comms campaign as well as a major opening event to mark the opening of our anchor tenant. Address the news of Cineworld’s current financial restructuring and identify mitigations for the Council. RAG rating – Amber</p>				
Inclusive Economy	<p>Risk Description: The impact of Covid 19 has had a significant impact on the local economy. There has been a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses and increased inflation has added to the pressure on the Council and partners’ services. Businesses are also experiencing significant issues through supply chains and the cost of living crisis, in particular energy price increases.</p> <p>The Council needs to continue to work with partners to minimise the damage done to the borough's economy and to livelihoods through the Inclusive Economy Board and the suite of business support measures delivered</p>	Actual	Actual	Medium	ED Growth and Sustainability

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>through Enterprising Barnsley and our Employment and skills team. As well as the potential impact on the Glassworks and the town centre there are wider community implications for Barnsley, its principal towns and other urban centres with the risk of increased unemployment, redundancies, and low levels of job opportunities for young people and those furthest from the labour market.</p> <p>Ongoing work is needed to secure final lettings of the Glass Works, develop the principal towns' economies and to address retail contraction, in particular with the Alhambra, the finance/banking sector and major anchor businesses in the town centre. While we are now in recovery, the backdrop and risks have changed with increased risk of recession, constrained growth/retail spend, rising cost of living and inflationary pressures, all of which impact on our most disadvantaged households. Significant work is needed to ensure that our economically inactive population are equipped to participate in the economy and improve their livelihoods as well as ensuring there are pathways and progression routes for people of all ages to get into, get on and thrive in work.</p> <p>Risk Assessment: While Barnsley has done reasonably well following the pandemic, retaining, and building on footfall in the town centres and principal towns, these gains could be lost through market forces (retail contraction), changing consumer habits, increased cost of living impacts affecting discretionary spend, ongoing changes in the town centre fabric including the Alhambra going into receivership, and movement of key retailers in the town centre. All of this needs regular monitoring and scrutiny, as well as necessary mitigating action on an ongoing basis. The Inclusive Economy Board oversees this work on the TC and PTs (Inclusive Urban Centres) as well as our work to support those furthest from the Labour Market to access volunteering and other support and get into and get on in work through our More and Better Jobs strategy. The current Cost of Living crisis is also placing pressures on our inclusive economy, creating precarity for those furthest away from the labour market and the most vulnerable.</p> <p>Action 1 The Inclusive Economy Board oversees the development of our Inclusive Economy work, including the development of our inclusive urban centres, the 'good growth' strategy for the borough and the more and Better Jobs</p>				

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>strategy. It meets every two months and is made up of key representatives from the business, community, and voluntary sector as well as education reps and skills providers. It looks to address key issues in our economy through action as well as overseeing key initiatives in our inclusive economy work. RAG rating – Green</p> <p>Action 2 Assurance that we have the necessary performance data and metrics in place to identify trends and issues and to allow timely and responsive interventions; these are reviewed as part of the Inclusive Economic Recovery Plan. RAG rating – Green</p> <p>Action 3 Our Enterprising Barnsley team and Employment and Skills team have run a number of business support and employment support programmes specifically designed to support businesses and individuals impacted upon through the pandemic. These programmes have helped businesses to survive and to stabilise through more effective business planning and opened up entrance level jobs for young people. These programmes are now mainstreamed into the core EB offer for businesses and Employment and skills teams to support them through the next phase of economic turmoil and ensure our businesses and residents can continue to earn good livelihoods for themselves and their families. RAG rating – Amber</p>				

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Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 14th SEPTEMBER 2022

INTERNAL AUDIT FINAL ANNUAL REPORT 2021-22

Executive Summary

- i. This report provides the Head of Internal Audit, Anti-Fraud and Assurance's annual opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control arrangements based on the work of Internal Audit for 2021-22 and has been prepared in accordance with the Public Sector Internal Audit Standards.
- ii. Considering the overall results of Internal Audit work undertaken, together with management's implementation of agreed management actions, the opinion given is **reasonable** (positive) assurance. This has been based upon an agreed programme of risk-based audit coverage and advisory work which has enabled a valid assurance opinion to be provided.
- iii. There continues to be a positive culture in the Council to explore where control and governance improvements can be made. It is therefore important that this culture remains and focussed on maintaining an appropriate, risk-based and effective overall framework of governance as the Council faces significant financial and operational challenges whilst continuing to work towards Barnsley 2030.
- iv. The key results from all completed audits have been reported throughout the year within the Internal Audit progress reports and are summarised in this report.
- v. The Audit and Governance Committee has also been made aware of progress in the implementation of agreed management actions.
- vi. The audit plan for 2022-23 is focussed on supporting management to consider the approach to controls in the context of the achievement of strategic objectives and priorities, and the major change / transformation programme ahead (e.g., Adults Social Care Funding Reform).
- vii. This report updates the interim annual report presented to the Committee at meeting on 27th July.

NOTE – changes in statistics from the interim final report are shown in [].

AUDIT AND GOVERNANCE COMMITTEE – 14th SEPTEMBER 2022

INTERNAL AUDIT FINAL ANNUAL REPORT 2021-22

1. Purpose of Report

1.1 This annual report has been prepared adopting recommended practice contained within the updated Public Sector Internal Audit Standards (PSIAS) which came into effect on the 1st April 2017. These Standards require the Head of Internal Audit, Anti-Fraud and Assurance (HoIA) to report to the appropriate Member body, the Audit and Governance Committee, providing an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and controls based on the work undertaken by Internal Audit.

1.2 In order to comply with these Standards the report provides:-

- i. an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control;
- ii. summary of the audit work undertaken to formulate the opinion;
- iii. details of key control issues identified which can be used to inform the Annual Governance Statement (AGS); and
- iv. the extent to which the work of other review or audit bodies has been relied upon.

2. Recommendations

2.1 **It is recommended that the Committee:-**

- i. considers the opinion provided by the Head of Internal Audit, Anti-Fraud and Assurance based on the work undertaken and completed relating to 2021-22 regarding the adequacy and effectiveness of the Authority's framework of governance, risk management and internal control;**
- ii. notes the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement (AGS).**

3. Introduction / Background

3.1 In accordance with statutory best practice provided by the PSIAS, there is a requirement that the Head of Internal Audit, Anti-Fraud and Assurance (HoIA) prepares an annual report to the appropriate member body providing, amongst other things, an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control based on the audit work undertaken. For the Authority, the appropriate member body is the Audit and Governance Committee.

- 3.2 The Accounts and Audit Regulations require all councils to publish an Annual Governance Statement (AGS) providing a narrative on the effectiveness of the Council's governance, risk management and internal control framework and the results of the annual review process and detailing any actions to be taken in respect of any identified weaknesses.
- 3.3 This report provides a summary of key issues arising from the work of Internal Audit covered in the 2021-22 audit plan, which contributes to the overall assurance opinion the HoIA is able to give the Audit and Governance Committee.
- 3.4 Although providing an important and significant contribution to the assurances the Audit and Governance Committee needs in its consideration of the AGS, this report forms only part of the assurance framework. The Committee will receive the final Annual Governance Statement (AGS) for 2021-22 at its November meeting. The Audit Committee is therefore encouraged to consider this report in the context of broad governance, risk and controls assurance.
- 3.5 The financial budget for the Internal Audit Team is clearly set covering the period 1st April to 31st March each year and a plan of the days and where they are planned to be delivered is prepared similarly. However, the actual delivery of internal audit work and the constant review and revision of coverage is on a more rolling basis. In order to align the annual Internal Audit report to the AGS and the signing of the Statement of Accounts it is more appropriate that the Head of Internal Audit, Anti-Fraud and Assurance's opinion is provided reflecting all the work undertaken that relates/covers the year at the point of the approval of the AGS and statutory accounts. This inevitably includes work actually undertaken in the current financial year but which relates to the control environment in existence in the 2021-22 financial year.

4. Head of Internal Audit, Anti-Fraud and Assurance's Opinion on the Effectiveness of the Authority's Governance, Risk Management and Internal Control Environment

- 4.1 The Audit and Governance Committee has received Internal Audit progress reports throughout the audit year. In each of these reports a **reasonable** assurance opinion had been given reflecting an overall satisfactory level of internal controls and their application.
- 4.2 Taking the whole year into account and the audits completed, it is appropriate to give an overall **reasonable** (positive) assurance opinion for the year. The information supporting this opinion is provided below.
- 4.3 The engagement of senior managers and services across the Authority has once again been excellent and reflects a positive culture to embrace internal audit and look to identify opportunities to improve the effectiveness and efficiency of governance, risk management and internal controls. However, the challenges that Services face continue of course and to maintain positive assurance in the future that positive culture needs to continue also. The key issues arising from Internal Audit work in the year, in general terms, continue to relate to the significant pressures in most areas of the Council (with the Covid-

19 pandemic still impacting the Council), relentless demand and the drive for greater efficiency and changed ways of working. There is nothing new in these challenges and so the embedded awareness of governance and internal control issues should stand the Authority in good stead to manage the risks, concerns and issues that will inevitably occur.

- 4.4 The audit work undertaken, and planned for the current year, has sought to support management to embrace and meet these challenges. To highlight this issue, a number of senior managers have continued to request Internal Audit input during the year to provide support and assurances that the internal control framework in certain areas was effective (particularly in relation to the impact of Covid-19 and the government funding received to support the public and local businesses). This Internal Audit support was requested to highlight key control, governance and risk issues and assist management in how best to deal with them. Of key importance of course is the consideration and management of the identified and accepted risks moving forward.
- 4.5 It should be noted that audit work has in the main identified areas of weakness in the framework and application of controls that present risks to the meeting operational objectives. Any subsequent delay to then address any control weaknesses and agreed management actions clearly adds to this risk.
- 4.6 Section 6 of this report provides more detail regarding the results of the audit work. In summary, 65% [63%] of the completed audits resulted in a substantial or reasonable assurance opinion compared with 91% in 2020-21 and 62% in 2019-20.
- 4.7 Within the Internal Audit progress reports a number of key issues were drawn to the Committee's attention. These are summarised in Section 6.
- 4.8 An update with regards to the core financial system reviews for the 2021-22 financial year is given in paragraph 6.14.
- 4.9 Generally, the audit work in the year has found areas where controls remain good and effective. Seven "Limited" assurance opinions have been provided in 2021-22 compared to three in 2020-21. These were areas where management invited Internal Audit in to provide independent assurance into areas where it was recognised that improvements could be made.
- 4.10 Although audit work aims to cover a broad range of services, systems and areas of Council activity, it needs to be recognised that Internal Audit coverage cannot guarantee to detect all errors, systems or control weaknesses or indeed identify all of the opportunities for improvements in management arrangements that might exist. Accordingly, the assurance opinion provided is based on reasonable coverage, as resources allow, and cannot be regarded as absolute assurance. Equally, there is a responsibility of senior managers through the annual governance statement process to provide assurances to the Chief Executive regarding the application and effectiveness of the internal control and governance framework in their operational or functional areas.
- 4.11 To remind the Committee, Internal Audit assurance opinions for individual pieces of work and overall, are classified within a range of four options, two

positive and two negative. The table below shows in broad terms the basis for the different opinions applied.

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial Assurance	A robust framework of controls exists that is likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable Assurance	A sufficient framework of key controls exists that is likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited Assurance	A risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No Assurance	A significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

- 4.12 Internal Audit seeks to work closely as appropriate with other auditors, most significantly External Audit. However, for 2021-22 no work undertaken by other auditors or any other review body has been specifically relied upon in the provision of this annual overall assurance opinion.

5. Summary of Internal Audit Work and Coverage 2021-22

- 5.1 Internal Audit aim to utilise a risk-based approach to planning and delivering its work. This approach seeks to ensure that the key risks facing the Authority are covered where appropriate by Internal Audit work. The audit planning process and details of the 2021-22 audit plan were considered by the Committee at its June 2021 meeting.
- 5.2 The Committee has received Internal Audit progress reports that incorporate the results of audit work and management's response on a continuous basis. A summary of the Internal Audit reports for 2021-22 is at Appendix 1.
- 5.3 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for Audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency. Over the last couple of years there has been a notable increase in the number of these adjustments which is indicative of the rapidly changing nature of service and Authority-wide priorities. The 2021-22 financial year required an extremely flexible and fluid plan to enable Internal Audit to provide assurance to Senior Management that the control framework remained effective whilst the Council continued to react to and recover from the Covid-19 pandemic. Details of audit work which has been

deferred, deleted or additional requests for specific pieces of work have been reported within the Internal Audit progress reports.

- 5.4 It should also be noted that Internal Audit work is variable both in its nature and timing. The risk-based approach ensures the highest priority work is undertaken. As with all plans, the audit plan was determined at a particular time (March/April 2021) utilising information available and has been subject to significant changes during the year. The Committee should be assured that within the finite resources available to Internal Audit, the key audit risks identified have either received audit attention during the year or are reflected in the audit plan for 2022-23.
- 5.5 The financial year end position for core internal audit days relating to the 2021-22 plan shows a slight under delivery of 130 days, or 12%, of the original provision. This was due to vacant posts, all of which have now been filled.

Position as at 31st March 2022 – Audit Days Delivered Relating to 2021-22 Plan

Directorate	Original 2020/21 Plan days	Revised 2020/21 Plan days	Actual days (% of revised days)
Adults & Communities	59	62	51 (82%)
Childrens Services	85	82	80 (98%)
Core Services	317	400	380 (95%)
Corporate	177	164	150 (91%)
Council Wide	255	166	148 (89%)
Place	171	158	146 (92%)
Public Health	27	27	9 (33%)
General Contingency	3	35	0
Barnsley MBC	1,094	1,094	964 (88%)
Corporate Anti-Fraud Team	409	409	395 (97%)
Barnsley MBC Internal Audit Total	1,503	1,503	1,359 (90%)
Corporate Governance & Assurance	183	183	180 (98%)
HolIA role as DPO	27	27	35 (130%)
External Clients	959	959	729 (76%)
Total Chargeable Planned Days	2,672	2,672	2,303 (86%)

- 5.6 Within the resources there remains a significant amount of time needed to respond to requests for providing advice, support to services, innovation and initiatives, changes, projects and programmes, corporate change projects and general work that does not result in a specific report. Approximately half of operational audit time is spent on work that generates a specific report. Details of the non-report work have been provided through the progress reports, but in summary have covered the following:

- Advice, Support and Challenge to Adults and Communities during its review of various Services (e.g. Carers, Transition for Children to Adults)
- Troubled Families claim verification
- Other various grant verifications
- Charity Accounts sign-off
- Advice, support and challenge at the Glassworks Board in respect of the governance, risk and control arrangements
- Advice, support and challenge at the Seam Board in respect of the governance, risk and control arrangements
- Advice, support and challenge at the Community Renewal Fund (Barnsley Boost) Board in respect of the governance, risk and control arrangements
- General advice to services in relation to controls, risk and governance
- Advice and support in relation to the Council's Information Governance arrangements, including attendance at the Information Governance Board
- A detailed follow up of the Accounts Payable review, to provide assurance that agreed management actions have been implemented (in response to the fraud identified in June 2021)
- Advice and support in relation to procurement arrangements including attendance at the Procurement Working Group
- Advice, support and challenge at the Robotics Process Automaton Board and project leads in respect of the governance, risk and control arrangements
- Advice and support to HR with regards to the SMART Working project
- Advice and support to IS during the SAP Success Factors project
- Advice and support to Core Services (BII) during the development of the Council Plan and Barnsley 2030
- Advice, support and challenge with regards to the Elsecar Heritage Railway Trust
- Feedback to and liaison with all services
- Audit and Governance Committee support
- Follow-up of agreed management actions
- Annual audit planning process
- Input to the Annual Governance Review
- Corporate whistleblowing input

5.7 Whilst the work covered in the above list has not resulted in a specific assurance opinion, all work undertaken is considered in terms of the overall annual assurance provided in this annual report. Much of this work has also been considered in the 2022-23 planned coverage.

6. Summary of Internal Control Issues Arising from Internal Audit work in 2021-22

6.1 Internal Audit has completed 22 [21] individual reviews of aspects of the Authority's internal control framework during 2021-22 that resulted in a formal report. These 22 [21] audits sought to identify, test and review various controls to ensure management were meeting their responsibilities to establish and adhere to appropriate systems of internal control. Two of the reviews did not provide for an assurance opinion (i.e. advisory basis).

- 6.2 It should be noted that 1 [2] additional review is currently in progress. Details are referenced within the work in progress section (Appendix 3).
- 6.3 A summary of the assurance opinions given for the 20 [19] reports issued that did provide for an assurance opinion are shown below together with a comparison to 2020-21 and 2019-20.

Assurance Opinion		2021-22		2020-21		2019-20	
		No	%	No	%	No.	%
Positive Opinions	Substantial	0	0	1	3%	0	0%
	Reasonable	13 [12]	65 [63]	29*	88%	8	62%
Negative Opinions	Limited	7	35 [37]	3	9%	5	38%
	No	0	0	0	0%	0	0%
TOTAL		20 [19]	100	33	100	13	100%

* there were 14 Covid-19 related pieces of work included in the 2020/21 audit year.

It should be noted that clearly some audit areas have a greater significance and potential impact on the overall assurance opinion, i.e. limited assurance opinions given for control weaknesses in areas with a narrow scope, limited transactions and financial value will have a lower impact on the overall opinion compared to say a major service or a core financial system receiving such an opinion.

- 6.4 Across the various completed pieces of work to date 133 implications were raised. These are summarised below:

	No.	%	No.	%	No.	%
Category	2021-22		2020-21		2019-20	
High	13	10%	6	5%	6	6%
Medium	87 [82]	65%	73	66%	64	59%
Low	33 [31]	25%	33	29%	38	35%
Total	133 [126]	100%	112	100%	108	100%

- 6.5 Of the 133 implications raised, these related to:-

- 69 (52%) control adequacy; [63 / 50%]
- 56 (42%) control application; [55 / 44%]
- 8 (6%) system efficiency.

This indicates that the work undertaken in year has resulted in just over half of the agreed management actions relating to improving the adequacy of the controls in place (e.g. policies, procedures, management checks), with the remaining half relating to issues of compliance with existing controls (42%) and also more efficient ways of working (6%).

- 6.6 Of the 13 high implications:

- 5 were raised in the Accounts Payable review;

- 3 were raised in the Declaration of Interests (Officers) review;
- 1 was raised in the Council Tax Change in Circumstances review;
- 1 was raised in the DPO Assurance Cybersecurity review;
- 1 was raised in the Publication Scheme Compliance review;
- 1 was raised in the Childrens Social Care Lone Working review, and;
- 1 was raised in the SEND Data Quality review.

In respect of the 13 high implications above, 9 [6] have been implemented and 4 [7] have agreed implementation dates in the future. There are no undue risks associated with the timescales proposed for the implementation of the agreed management actions.

Although there has been significant pressure on management throughout the year and across all services, Internal Audit has continued to get good co-operation from management from all Business Units.

- 6.7 Details of the key issues arising from these reviews have been presented to the Committee in the Internal Audit progress reports. These findings have arisen across audit reviews ranging from specific establishments to areas of governance.
- 6.8 In addition to the formal audit reports attracting an assurance opinion other reports have been issued in an advisory/consultancy context. A number of these reports are the product of significant Internal Audit input and over many months in some cases. These reports also contribute to the overall assurance opinion. Such input enables Internal Audit to assist management as initiatives, projects or reviews are progressing, thus helping establish effective controls and governance from the outset. In working this way, it is made clear to management in the scoping of Internal Audit work that we remain independent from decision-making.

The major advisory reports have covered:

- Adult Social Care Governance Action Plan;
- Follow up of the Accounts Payable review;
- Robotics Process Automaton Project;
- DPO Assurance – Contract Clauses.

- 6.9 As stated in the Internal Audit progress reports it is important to note that the identification of control weaknesses does not necessarily indicate that any loss or inefficiency has actually occurred. Weaknesses indicate an increased *potential/risk* that losses or inefficiencies could arise.
- 6.10 An important part of Internal Audit's assessment of controls is undertaken through the annual reviews of the core financial systems of the Authority. This work is considered by External Audit who have regard to Internal Audit's work to assist in their opinion on the financial systems for their audit of the Accounts.
- 6.11 The core financial system reviews have been completed. It is appropriate to highlight the excellent co-operation once again received from Financial Services, particularly when considering the pressure on their resources during

the reactive phase to the pandemic. A separate section on the core system reviews is given below.

- 6.12 In relation to specific establishments or other minor systems, controls are tested at a lower level to ensure the detailed operation of systems and procedures, and the use of assets and resources are effective.
- 6.13 During the year, all audit report management actions were followed-up in accordance with the current follow-up protocol. As reported through the Internal Audit progress reports, the percentage of management actions implemented by the agreed dates has not given any cause for concern, particularly when considering that the Council was still responding to the pandemic and this understandably being management's priority at that time. Appendix 4 provides a breakdown of the current status of all agreed management actions in relation to the 2021-22 planned Internal Audit activity.
- 6.14 The Committee has continued to monitor this situation. Senior management are aware of their responsibilities to implement agreed management actions to ensure any control, risk or governance weaknesses identified through internal audit work are corrected. The Senior Management Team receives quarterly monitoring reports regarding the implementation of agreed management actions and escalates action accordingly. Clearly, any significant delay in implementation or non-implementation weakens the overall control environment.

Core System Reviews

- 6.15 Overall there are 11 systems regarded as core and fundamental to the financial management of the Authority (the Insurance system has been added into the Strategy for 2022-23). Over the last few years there has been a detailed risk assessment undertaken to establish the extent of coverage each system requires given a number of factors, namely any significant changes in the system or key personnel, the audit opinion the previous audit and the results of an analytical review undertaken by Internal Audit. The outcome of this risk assessment is discussed and agreed with the Section 151 Officer. External Audit are also consulted on the risk assessment and proposed coverage.
- 6.16 The timing of these audits means that the audits completed and included in the Appendix relate to those that were scoped in the 2020/21 financial year. They were completed in 2021/22. Transactional and key control testing will cover both 2020/21 and 2021/22 financial years. The audits currently being scoped and planned will again cover both 2021/22 and 2022/23 financial years. As External Audit do not rely directly on Internal Audit work, it is no longer critical that the audit work covers the whole financial year. The assurance opinions given for each of the systems in previous years and the agreed level of coverage for 2021-22 are shown in the table below:-

Core System	Audit Coverage 2021-22*	Assurance Opinion 2020-21	Assurance Opinion 2019-20	Assurance Opinion 2018-19	Assurance Opinion 2017-18
	To be completed in 2022/23	Completed in 2021/22 (App. 1)	Completed in 2020/19	Completed in 2019/20	Completed in 2018/19
Purchase to Pay / Accounts Payable	Compliance	Advisory	Not Audited	Substantial	Adequate
Income	Compliance	Reasonable	Not Audited	Not Audited	Adequate
Council Tax	Compliance	Not Audited	Not Audited	Substantial	Not Audited
NDR	No Audit	Reasonable	Not Audited		
Housing Benefits	Compliance	Reasonable	Not Audited	Substantial	Not Audited
Pay, Employee Admin & Org. Management	Full	Reasonable	Reasonable	Not Audited	Adequate
Main Accounting	Compliance	Reasonable	Reasonable	Not Audited	Substantial
Housing Rents	Compliance ***	Reasonable	Substantial	Adequate	Substantial
Fixed Assets	Walkthrough	No Audit	Reasonable	No Audit	No Audit
Treasury Management	Compliance	Reasonable	Not Audited	Not Audited	Substantial
Insurance	Compliance	N/A	N/A	N/A	N/A

* A **Walkthrough** audit tests the end to end processes to provide assurance on the internal control framework. A **Compliance** audit includes sample testing of transactions in addition to the work undertaken in a Walkthrough. A **Full** audit includes wider management and supervision elements.

** A Council wide procurement compliance review has been concluded in 2020/21 (relating to 2019/20). In addition, assurance work in relation to Covid19 emergency funding covered the Purchase to Pay elements.

*** Undertaken as part of the Berneslai Homes Internal Audit Plan. A Reasonable assurance has been provided for 2021-22.

Major Fraud Incident June 2021

- 6.17 The Committee was fully apprised of the incident that occurred in June 2021, the action taken in response, and the outcomes of the detailed investigations. This matter was also considered and reported by the Council's External Auditor in their ISA260 Report and featured in the 2020/21 Annual Governance Statement.
- 6.18 Internal Audit has continued to provide advice, support and challenge to the Accounts Payable team in relation to the implementation of the agreed management actions arising from the Internal Audit review undertaken (final report issued in September 2021). The majority of actions have (as at 31st July 2022) been implemented and there is a clearly defined action plan with responsible officers and implementation dates recorded to proactively manage the implementation of the remaining actions, which relate in the main to the development of revised responsibilities and processes following the Finance Business Unit re-structure in June 2022. All recommendations relating to key controls have been implemented. A detailed compliance review is currently

being scoped in consultation with the Head of Finance and Service Director as part of the current year's audit plan.

- 6.19 In addition, a further targeted simulated phishing exercise was also undertaken in December 2021. All Operational Finance staff 'passed' that test, highlighting a high level of awareness of the phishing threat.

Summary of Control Issues

- 6.20 During the year the Committee has received Internal Audit progress reports that highlighted key control issues that could potentially undermine the provision of an overall positive assurance opinion for the year. The major issues that resulted in the issue of high implications in relation to particular audits were:-

- Accounts Payable – detailed review undertaken in response to the fraud identified in June 2021;
- Awareness and compliance with corporate policies (e.g. Code of Conduct – Declarations of Interest and Publication Scheme).

7. Local Area Implications

- 7.1 There are no Local Area Implications arising from this report.

8. Consultations

- 8.1 All audit reports are discussed with the main auditee. Individual audit reports are provided to the appropriate Executive and/or Service Director to apprise him/her of key issues raised and remedial actions agreed. No specific consultation has been necessary in the preparation of this annual report.

9. Compatibility with European Convention on Human Rights

- 9.1 In the conduct of investigations, Internal Audit operates under the provisions of the Data Protection Act 2018, the Human Rights Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

10. Reduction of Crime and Disorder

- 10.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. All pieces of audit work have fraud risks considered in their scope. Any control issues arising from audit investigations are considered to ensure improvements in overall controls. Additionally, Internal Audit ensures that, in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

11. Risk Management Considerations

- 11.1 Whilst there are no specific risks emanating as a result of this report there are a range of risk issues worthy of consideration and note.
- 11.2 The Committee has received a detailed report on the audit plan including the basis of the plan and the utilisation of risk information. This is a critical aspect

of the audit function and seeks to ensure audit resources are targeted at the areas of the Council's business where the most significant risks have been identified.

- 11.3 There is a risk to the Authority as a whole should the Internal Audit function not be effective. This would undermine the internal control, risk and governance arrangements of the Authority and fail to provide the Committee with sufficient independent information upon which to base their assurance views upon. The provision of detailed Internal Audit progress reports during the year, plus this annual report and the report on the QAIP should act as mitigation in ensuring the Committee is in a position to constantly keep the audit function under review.
- 11.4 There is a risk to the Authority should Internal Audit not be in a position to undertake its work independently and objectively. Throughout the year, there has been no impairment of independence or objectivity.
- 11.5 There is a risk to the control and governance of the Authority if management fail to implement their agreed actions to address the implications identified during Internal audit work. In mitigation Internal Audit has introduced a more rigorous 'follow-up' process to ensure the most significant issues are implemented. This is reported to the Audit Committee within the quarterly and annual reports.

12. Employee Implications

- 12.1 There are no employee implications arising from this report.

13. Financial Implications

- 13.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function and the external audit fees are included within the Authority's base budget.

14. Appendices

- 14.1 Appendix 1 - Summary of Internal Audit Reports 2021-22
Appendix 2 - Details and Outcomes of other Internal Audit Activities
Appendix 3 - Work In Progress
Appendix 4 - Agreed Management Actions
Appendix 5 – Financial Year End Performance Indicators 2021-22

15. Background Papers

- 15.1 Various Internal and External Audit reports, files and working papers.

Officer Contact: Rob Winter FCPFA
Head of Internal Audit, Anti-Fraud and Assurance
Telephone No: 07786 525319
Date: 24th August 2022

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Adults and Communities	Local Welfare Assistance / Hardship Fund 11/08/2021	Limited	H – 0 M – 4 L – 1 Control Adequacy x 3 Control Application x 2	G/R/C	Information Governance x 4 Managing People / Workforce / HR x 1	1 x Closed 3 x Not Yet Due (M) 1 x Management Assurance Process
Childrens Services	Return to Home/Care Services 27/01/2022	Reasonable	H – 0 M – 3 L – 1 Control Adequacy x 2 Control Application x 2	G/R/C	Information Governance x 2 Partnerships & Relationships x 1 Performance Management x 1	3 x Closed 1 x Management Assurance Process
Childrens Services	Lone Working 16/12/2021	Limited	H – 1 M – 6 L – 2 Control Adequacy x 4 Control Application x 5	G/R/C	Information Governance x 2 Safeguarding x 2 Legislative Compliance x 1 Managing People / Workforce / HR x 3 Partnerships & Relationships x 1	6 x Closed 1 x Awaiting Mgt Update (H) 2 x Management Assurance Process
Childrens Services	SEND Data Quality 17/03/2022	Limited	H – 1 M – 14 L – 0 Control Adequacy x 12 Control Application x 1 Systems Efficiency x 2	G/R/C	Performance Management x 13 Legislative Compliance x 2	7 x Closed 8 x Not Yet Due (H/M)

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Financial System 2020/21: Income 12/07/2021	Reasonable	H – 0 M – 1 L – 1 Control Adequacy x 2	C	Financial Management x 2	1 x Not Yet Due (M) 1 x Management Assurance Process
Core Services	Financial System 2020/21: Main Accounting 10/08/2021	Reasonable	H – 0 M – 2 L – 1 Control Adequacy x 1 Control Application x 2	C	Information Governance x 2 Financial Management x 1	2 x Not Yet Due (M) 1 x Management Assurance Process
Core Services	Financial System 2020/21: Treasury Management 15/06/2021	Reasonable	H – 0 M – 0 L – 2 Control Adequacy x 1 Control Application x 1	C	Financial Management x 1 Risk Management x 1	2 x Management Assurance Process
Core Services	Financial System 2020/21: Non Domestic Rates 18/08/2021	Reasonable	H – 0 M – 4 L – 2 Control Adequacy x 2 Control Application x 4	C	Information Governance x 2 Financial Management x 2 Performance Management x 2	3 x Closed 1 x Not Yet Due (M) 2 x Management Assurance Process
Core Services	Financial System 2020/21: Housing Benefits 04/08/2021	Reasonable	H – 0 M – 1 L – 1 Control Adequacy x 1 Control Application x 1	C	Information Governance x 1 Performance Management x 1	1 x Closed 1 x Management Assurance Process

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Financial System 2020/21: Payroll 12/08/2021	Reasonable	H – 0 M – 5 L – 4 Control Adequacy x 4 Control Application x 5	C	Information Governance x 3 Financial Management x 4 Managing People / Workforce / HR x 2	5 x Closed 4 x Management Assurance Process
Core Services	Council Tax - Change in Circumstances 04/08/2021	Limited	H – 1 M – 3 L – 0 Control Adequacy x 3 Control Application x 1	G/C	Performance Management x 2 Information Governance x 1 Data Protection x 1	3 x Closed 1 x Not Yet Due (M)
Core Services	Assurance Review: Accounts Payable 16/09/2021	N/A	H – 5 M – 22 L – 7 Control Adequacy x 13 Control Application x 17 Systems Efficiency x 4	G/R/C	Information Governance x 5 Managing People / Workforce / HR x 4 Legislative Compliance x 1 Performance Management x 2 Financial Management x 20 Programme / Project Management x 1 Contracts/ Procurement/ Commissioning x 1	22 x Closed [18] 1 x Not Yet Due (H) 4 x Not Yet Due (M) [8] 7 x Management Assurance Process

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Core Services	Covid19 – Moratorium Follow Up (SAP) 18/06/2021	Limited	H – 0 M – 1 L – 0 Control Application x 1	C	Financial Management x 1	1 x Closed
Core Services	Covid19 – Moratorium Follow Up (Procurement Cards) 18/06/2021	Reasonable	H – 0 M – 1 L – 0 Control Application x 1	C	Financial Management x 1	1 x Closed
Core Services	Data Management Policy – Compliance 19/07/2021	Reasonable	H – 0 M – 2 L – 2 Control Adequacy x 2 Control Application x 2	G/R/C	Information Governance x 4	1 x Closed 1 x Not Yet Due (M) 2 x Management Assurance Process
Core Services	DPO Assurance: Cybersecurity 14/07/2021	Reasonable	H – 1 M – 2 L – 2 Control Adequacy x 1 Control Application x 2 Systems Efficiency x 2	C	Business Continuity / Emergency Resilience x 2 Information Governance x 2 Legislative Compliance x 1	3 x Closed 2 x Management Assurance Process
Core Services	DPO Assurance: Contracts 15/11/2021	N/A	H – 0 M – 2 L – 0 Control Application x 2	C	Legislative Compliance x 2	2 x Not Yet Due (M)

Appendix 1

Directorate	Title of Audit & Date of Formal Report	Assurance Opinion	No. & Priority of Implications and Control Adequacy/ Application/ Systems Efficiency	Governance / Risk / Control	Governance Themes	Follow-up Action
Council Wide (Core Lead)	Publication Scheme – Compliance 09/02/2022	Limited	H – 1 M – 4 L – 0 Control Adequacy x 2 Control Application x 3	G/R/C	Information Governance x 5	1 x Closed 4 x Not Yet Due (H/M) [5]
Council Wide (Core Lead)	Declaration of Interests – Officers 16/06/2022	Limited	H – 3 M – 1 L – 0 Control Adequacy x 3 Control Application x 1	G/R/C	Information Governance x 2 Anti-Fraud & Corruption x 1 Risk Management x 1	4 x Not Yet Due (H/M)
Place	Glassworks – Contract and Performance Management 09/11/2021	Reasonable	H – 0 M – 1 L – 5 Control Adequacy x 4 Control Application x 2	G/R/C	Information Governance x 3 Performance Management x 2 Legislative Compliance x 1	1 x Closed 5 x Management Assurance Process
Place	Active Travel <u>DRAFT 26/08/2022</u>	Reasonable	H – 0 M – 5 L – 2 Control Adequacy x 6 Control Application x 1	G/R/C	Information Governance x 4 Performance Management x 1 Collaboration x 1 Contracts, Commissioning and Procurement x 1	5 x Not Yet Due (M) 2 x Management Assurance Framework (L)
Public Health	Referral Processes 07/06/2022	Reasonable	H – 0 M – 3 L – 0 Control Adequacy x 3	G/R/C	Safeguarding x 2 Partnerships and Relationships x 1	3 x Not Yet Due (M)

Details and outcome of other Internal Audit activities concluded in the period

Audit Work Completed	Details	Contribution to Assurance
Adults & Communities: Troubled Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Adults & Communities: Adult Social Care Services	Advice, Support and Challenge to Adults and Communities during its review of Services.	The work contributes to assurance in respect of governance and financial management.
Core/Place: Glassworks Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the phase two scheme and also BAU can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core/Place: Seam Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core/Place: Community Renewal Funding Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the programme can be delivered (i.e. on time, in budget & to standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SAP Success Factors	To continue to support the project throughout its design and implementation.	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SMART working and Managers Toolkit	To develop the audit and assurance elements of the managers toolkit and also to attend the Working Group meetings to provide check and challenge to the process.	This work supports the Council in its objective of increased SMART working arrangements.
Core: Council Plan and Barnsley 2030	Advice and Support during the drafting and launch of the Strategic Plans.	The work contributes to assurance in respect of governance arrangements.
Place: Elsecar Heritage Trust	Advice, support and challenge with regards to the Elsecar Heritage Trust.	The work contributes to assurance in respect of governance and financial management.

Work in Progress as at 30th August 2022

Directorate & Audit Assignment	Status / Comment
Place: Highways Governance and Financial Management Arrangements	Testing almost completed on site.

Analysis of Agreed Management Actions Relating to 2021-22 Planned Internal Audit Activity

Implication Categorisation	No. of Implications	Not Yet Due – Future Implementation Date Agreed	Completed	Not yet completed – Revised date agreed	Not yet completed – Awaiting Management Update
Adults and Communities					
High	0	0	0	0	0
Medium	4	0	1 [3]	3 [1]	0
TOTAL	4	0	1 [3]	3 [1]	0
Place					
High	0	0	0	0	0
Medium	7 [1]	6 [0]	0 [1]	1 [0]	0
TOTAL	7 [1]	6 [0]	0 [1]	1 [0]	0
Childrens Services (excl. Maintained Schools)					
High	2	0 [1]	0	1	1 [0]
Medium	23	4 [11]	16 [12]	3 [0]	0
TOTAL	25	4 [12]	16 [12]	4 [1]	1 [0]
Maintained Schools					
High	0	0	0	0	0
Medium	0	0	0	0	0
TOTAL	0	0	0	0	0
Core					
High	11	1 [4]	9 [6]	1	0
Medium	51	4 [5]	32 [29]	15 [17]	0
TOTAL	62	5 [9]	41 [35]	16 [18]	0
Public Health					
High	0	0	0	0	0
Medium	3	3	0	0	0
TOTAL	3	3	0	0	0
OVERALL TOTAL	101 [95]	18 [24]	58 [51]	24 [20]	1 [0]
%		18 [25]	57 [54]	24 [21]	1 [0]

Internal Audit Performance Indicators - Quarter Four 2021/22

Ref.	Indicator	Frequency of Report	Target 2021/22	This Period (Q4)	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaire received noted “good” or “very good” relating to work concluding with an audit report.	Quarterly	95%	100%	100%
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	75%	73%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	0 days	0.26 day
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Yes	Yes

AUDIT COMMITTEE – 14th SEPTEMBER 2022

ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

1. Purpose of the Report

- 1.1 The purpose of this paper is to inform the Committee of the current position in terms of implementation of the agreed actions reported to the Committee at its September 2021 meeting, following the External Quality Assessment (EQA) undertaken by CIPFA in July 2021. The requirement to have an EQA and to maintain a Quality Assurance and Improvement Programme (QAIP) for the Internal Audit function is required by the Public Sector Internal Audit Standards 2017 (PSIAS).

2. Recommendation

- 2.1 **Members consider and assess the proposed QAIP Framework which sets out how it will meet the requirements set out in the PSIAS.**
- 2.2 **That the Committee receives an annual update report on the delivery of the QAIP.**

3. Background Information

- 3.1 Revised Public Sector Internal Audit Standards (PSIAS) came into effect from April 2017. Within those standards is the requirement for the Head of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QAIP).
- 3.2 The particular standard in the PSIAS is 1300 - *Quality Assurance and Improvement Programme*. This states that:

“The Head of Internal Audit must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity”.

Guidance in relation to this states that:

“A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity’s conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The Head of Internal Audit should encourage [Audit Committee] oversight in the quality assurance and improvement programme”.

- 3.3 Whilst the 2017 PSIAS formalised this as a specific requirement, previous Internal Audit standards and professional requirements ensured that Heads of Internal Audit had effective quality assurance arrangements in place. This incorporated the duty to undertake an annual self-assessment and an independent external assessment against the PSIAS once every five years. An independent external assessment was undertaken during 2021 and reported to the Audit & Governance Committee in September 2021. This assessment confirmed that the Internal Audit function was in full conformance with the PSIAS.
- 3.4 It is important for the Internal Audit Team and client organisations that the requirements of professional standards are met and are seen to be met. A framework has been developed to ensure all aspects of the PSIAS are considered and factored into how the Internal Audit function is resourced, managed, audit work is identified and delivered, and personal professional standards are met.
- 3.5 The full PSIAS covering the QAIP is attached as Appendix 1. Note that the PSIAS refers to the *chief audit executive* as a generic term for the officer responsible for the Internal Audit function. The job title 'Head of Internal Audit' is most commonly used in the public sector. Also, the term '*board*' is used which in the public sector context is the audit committee. CIPFA have produced a Local Government Application Note (LGAN) to provide guidance to ensure consistency in how the PSIAS are interpreted specifically in a local government context.
- 3.6 The key framework of the QAIP are shown in the table below. A more detailed analysis of the PSIAS is shown at Appendix 2 alongside the actions being undertaken or planned below.

Key Standard 1300 Requirements	Action / Current Position
<i>Internal Assessments:</i>	
Ongoing monitoring of the performance of the internal audit activity.	Processes are in place as part of audit management arrangements.
Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.	An EQA was undertaken during 2021 and this included the Assessor circulating and collating the responses from a number of key IA clients (BMBC and external).
<i>External Assessments:</i>	
External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.	An EQA was undertaken during 2021.
<i>Reporting on the Quality Assurance and Improvement Programme:</i>	
The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board.	Internal Audit report to SMT at its quarterly performance meeting. Reported to the Committee at its September 2021 meeting and this report is providing an updated position.

Key Standard 1300 Requirements	Action / Current Position
Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”:	
Indicating that the internal audit activity conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> is appropriate only if supported by the results of the quality assurance and improvement programme.	The EQA undertaken in 2021 confirmed full compliance.
Disclosure of Non-conformance:	
When non-conformance with the <i>Code of Ethics</i> or the <i>Standards</i> impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.	Not applicable – the EQA confirmed full compliance.

- 3.7 In order to ensure continuous improvement and focus on quality and conformance, the Internal Audit Manager has been designated the responsibility to maintain and manage the QAIP and general quality process. The Action Plan is updated and discussed with the Head of Internal Audit, Anti-Fraud and Assurance on a quarterly basis.
- 3.8 Since the previous QAIP/EQA report in September 2021, there are a number of continuous improvement related activities that have been completed. These include:
- a) The annual report for each client organisation now includes a separate annual assurance opinion for the governance, risk and control elements;
 - b) The Terms of Reference template has been updated to confirm the circulation list for draft and final reports;
 - c) The requirement to have a framework upon which an IT specialist auditor could be commissioned has been considered. There is not requirement for a specialist IT auditor within the current financial year plans, but this will be kept under review;
 - d) A re-structure of the service was implemented on 1st June 2002. This provides for succession planning, should key officers leave the organisation.
- 3.9 In addition to the above, the following actions are undertaken on an annual basis (and then as and when required during the financial year):-
- a) Each member of the team completes an annual declaration of interests form, to identify any potential areas of conflict for which they will not be assigned Internal Audit work. This is a Code of Conduct and PSIAS requirement, to demonstrate Internal Audit’s continued independence and objectivity.
 - b) Each member of the team has a Personal Development Review on an annual basis, with learning and development opportunities identified being monitored on a 6 monthly basis (mid year PDR) and 1:1 meetings that are scheduled every 2 months.

3.10 Clearly, ensuring an internal audit function meets all its professional standards is vitally important to provide client organisations with the best possible service. However, faced with increasing pressure on audit days it is equally essential to balance the input of resources to manage quality and professional standards compliance against actually delivering the audit function. A key role of the Head of Internal Audit, Anti-Fraud and Assurance and the Internal Audit Manager is to constantly review this balance.

4. List of Appendices

Appendix 1 - Public Sector Internal Audit Standards - Extract
Appendix 2 - Updated QAIP Action Plan

Rob Winter FCPFA
Head of Internal Audit, Anti-Fraud and Assurance

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PUBLIC SECTOR INTERNAL AUDIT STANDARDS - EXTRACT

1300 Quality Assurance and Improvement Programme

The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.

Interpretation:

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity's conformance with the *Standards* and an evaluation of whether internal auditors apply the *Code of Ethics*. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The chief audit executive should encourage board oversight in the quality assurance and improvement programme.

1310 Requirements of the Quality Assurance and Improvement Programme

The quality assurance and improvement programme must include both internal and external assessments.

1311 Internal Assessments

Internal assessments must include:

Ongoing monitoring of the performance of the internal audit activity.

Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

Interpretation:

Ongoing monitoring is an integral part of the day-to-day supervision, review and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools and information considered necessary to evaluate conformance with the *Code of Ethics* and the *Standards*.

Periodic assessments are conducted to evaluate conformance with the *Code of Ethics* and the *Standards*.

Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.

1312 External Assessments

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief audit executive must discuss with the board:

The form of external assessments.

The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

Interpretation:

External assessments may be accomplished through a full external assessment, or a self-assessment with independent external validation. The external assessor must conclude as to conformance with the *Code of Ethics* and the *Standards*; the external assessment may also include operational or strategic comments.

A qualified assessor or assessment team demonstrates competence in two areas: the professional practice of internal auditing and the external assessment process. Competence can

be demonstrated through a mixture of experience and theoretical learning. Experience gained in organisations of similar size, complexity, sector or industry and technical issues is more valuable than less relevant experience. In the case of an assessment team, not all members of the team need to have all the competencies; it is the team as a whole that is qualified. The chief audit executive uses professional judgment when assessing whether an assessor or assessment team demonstrates sufficient competence to be qualified.

An independent assessor or assessment team means not having either an actual or a perceived conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs. The chief audit executive should encourage board oversight in the external assessment to reduce perceived or potential conflicts of interest.

Public sector requirement

The chief audit executive must agree the scope of external assessments with an appropriate sponsor, e.g. the accounting/accountable officer or chair of the audit committee as well as with the external assessor or assessment team.

1320 Reporting on the Quality Assurance and Improvement Programme

The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board. Disclosure should include:

The scope and frequency of both the internal and external assessments.

The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.

Conclusions of assessors.

Corrective action plans.

Interpretation:

The form, content and frequency of communicating the results of the quality assurance and improvement programme is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter. To demonstrate conformance with the *Code of Ethics* and the *Standards*, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

Public sector requirement

The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.

1321 Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"

Indicating that the internal audit activity conforms with the *International Standards for the Professional Practice of Internal Auditing* is appropriate only if supported by the results of the quality assurance and improvement programme.

Interpretation:

The internal audit activity conforms with the *Code of Ethics* and the *Standards* when it achieves the outcomes described therein. The results of the quality assurance and improvement programme include the results of both internal and external assessments. All internal audit activities will have the results of internal assessments. Internal audit activities in existence for at least five years will also have the results of external assessments.

1322 Disclosure of Non-conformance

When non-conformance with the *Code of Ethics* or the *Standards* impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the non-conformance and the impact to senior management and the board.

Public sector requirement

Such non-conformances must be highlighted by the chief audit executive to be considered for inclusion in the governance statement.

Action Plan

	Continuous Improvement Area	EQA Rationale / Action	Priority	Lead Officer	Timescale	Current Status
1	HoIA Annual Report	“The Head of Internal Audit, Anti-Fraud and Assurance’s annual opinion currently refers to providing assurance on the overall control framework, whereas the standards require the opinion to specifically provide an opinion on the control, risk and governance frameworks. To enhance conformance with the standards, the annual opinion should be revised to include all three elements.”	Medium	HoIA	For all client 2021/22 reports	Completed
2	Audit Reviews - Terms of Reference	“The engagement terms of reference include a section entitled key contacts and lists the people from the client and Barnsley Internal Audit service that will be involved in the audit process. The standards expect the terms of reference to include an initial distribution list for the draft audit reports and this is not currently included. In practice this tends to be the client key contacts. To enhance conformance with the standards, the list of key contacts for the client should also be designated as the initial recipients of the draft audit report.”	Low	Internal Audit Manager	1 st July 2021	Completed
3	IT Specialist Auditor	“The Service does not have any qualified specialist IT auditors in its establishment, preferring instead to obtain these from external suppliers when required. However, there is no set arrangement in place with any supplier meaning the HoIA has to go through a procurement exercise each time resources are required. To speed up this process, it is suggested that consideration is given to setting up a call off contract with a suitable supplier for IT audit resources.”	Advisory	HoIA	31 st December 2021	Completed – considered following annual plan consultation. Concluded no specialist IA Auditor required at this time but will keep under review.
4	Data Analytics	“The Council is developing its own data analytics processes, but it is likely to be some time before this is	Advisory	HoIA	31 st December	Partially Completed – Explored specialist

	Continuous Improvement Area	EQA Rationale / Action	Priority	Lead Officer	Timescale	Current Status
		fully functional and as such the Head of Audit, Anti-fraud and Risk should consider obtaining a suitable application as an interim measure. There are a number of applications on the market that can be considered. BIAS is aware of the benefits achievable from developing their data analytics capability and have already explored the development of Power BI. However, until this is developed, suggest exploring the functionality available in the specialist applications on the market.”			2021	applications on the market and researched via CIPFA, IIA and similar IA services. Concluded the best option is Excel (most IA Services contacted are utilising this option). Currently exploring options for enhanced Excel training for the IA Team now all posts have been filled. Revised – 31 st October 2022
5	Structure and Succession Planning	“The Service is currently [June 2021] carrying a few vacancies which it plans to fill in the near future following a minor restructure of the Service. Suggest that the Head of Internal Audit, Anti-Fraud and Assurance takes the opportunity presented by the planned restructure to ensure that there is adequate succession planning in place for the key posts. This should ensure the Service can continue to operate should they lose one or more key employees.”	Advisory	HolA	31 st March 2022	Completed – revised structure was implemented on 1 st June 2022.
6	Dissemination of Information	“Once the review of the internal audit pages on the Council’s intranet is complete, the Service should consider using the intranet as a means of disseminating briefings to officers on topics such as good practice found during audits that could be adopted by other units in the organisation, or emerging risks that may have a wider impact on services that are peripheral to the services likely to be effected by the risk.”	Advisory	HolA	31 st October 2021	Partially Completed – developing the good practice areas to disseminate following full implementation of re-structure. Revised – 31 st October 2022

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Report of the Executive Director – Core Services

AUDIT COMMITTEE – 14th September 2022

Local Government and Social Care Ombudsman - Annual Review Letter 2022

1. Purpose of the Report

1.1 This brief covering report presents the Annual Review Letter for Barnsley MBC of the Local Government and Social Care Ombudsman (LGSCO). The letter is attached to this report.

1.2 Whilst this is a public document and has already been published by the LGSCO, it is brought to the specific attention of the Audit and Governance Committee as part of the independent assurance role the Committee has.

1.3 The letter brings focus on the Council's approach to complaints, concentrating upon the performance from the statistical data collected by the Ombudsman's office.

2. Recommendations

2.1 The Committee is recommended to consider the Annual Letter of the LGSCO and acknowledge the response from the Council with regards to the delivery of complaints training to staff, ensuring a higher level of satisfactory remedy is offered before a complaint is escalated to the LGSCO.

3. Background

3.1 The LGSCO looks at individual complaints about councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service and investigates complaints in a fair and independent way.

3.2 Despite our best endeavours there will inevitably be times when the Council does or does not do something that gives rise to a complaint. Whilst we have a robust complaints procedure, incorporating an internal review stage, there are occasions where this process does not produce a satisfactory outcome for the complainant and their next recourse is to the LGSCO.

3.3 Following their own investigation, the LGSCO will decide if maladministration has occurred and caused injustice, or if a referral back for local resolution is needed (perhaps based on a premature decision having been taken by the Council or the matter having not completed the Council's complaints process), or indeed that no maladministration was found. Recommendations are made which will cover how the Council should improve its services, as well as how the Council should remedy the complaint – this may result in financial redress being recommended.

3.4 The Committee will recall that specific within its Terms of Reference is to:

To consider any payments more than £2,500 or provide other benefits in cases of maladministration by the Authority within the scope of Section 92 of the Local Government Act 2000.

3.5 It should be noted that there was financial redress of £2700 for one complaint in 2021-2022.

4. Annual Letter 2022 and Action

4.1 The key message from the Letter is in relation to how the Council offers a satisfactory remedy to a complaint before it is escalated to the LGSCO.

4.2 The letter, attached, provides three key indicators - the percentage of complaints upheld, compliance with Ombudsman recommendations and satisfactory remedies provided by the authority.

4.3 Council performance (based on a total of 13 investigations for the period 1 April 2021 to 31 March 2022) for complaints upheld was 69% which is an improvement on last year's position of (83%) but appreciating the number of complaints received is higher. Our compliance with recommendations continues to be 100% for all cases which is positive to note. In relation to satisfactory remedy, which relates to the number of cases that the Ombudsman considers to be resolved and remedied satisfactorily by the Council before reaching them, remains at 0%. Additional support measures were implemented by the Customer Resolution Team following this result last year to support services in this area, which unfortunately we have not yet seen an impact in improved performance for during 21-22, work will continue to be undertaken in the areas below to support services, with the aim of seeing an improvement in our performance.

- 4.3.1 Continue to discuss the area of resolution and remedy through support and training to services.
- 4.3.2 Continue to provide a challenge to services in our quality checking of responses of how they have remedied the complaint.
- 4.3.2 Continue to promote the use of the Ombudsman's guide to remedies.

4.4 The Ombudsman's letter also highlights the increasing concerns they have about the erosion of effective complaint functions in authorities, finding poor local complaint handling practices, and reductions in the overall capacity, status, and visibility of local redress systems. The Council's complaint's function has recently been reviewed as part of the Business Improvement, Human Resources and Communications restructure with the creation of the Customer Resolution Team sitting in the Business Improvement team. There has been an additional Customer Resolution Officer added to this service.

4.5 A commitment was made in last year's report to deliver complaints training during 2021-22 to services and work in this area has been ongoing and will continue into 2022-23. We will soon be able to launch an online POD course for all staff members to access, training has been delivered to officers within SEN services, and is underway at present with Adult Social Care staff members. Discussions are ongoing with Children's Services in respect of them being the next service to receive training in complaints management.

4.6 Whilst this is positive, the continued success of any complaints service lies in the wider functionality and cooperation of all Council's services in working with the Customer Resolution team in response to complaints. Using the summary analysis table and intelligence held within the team, the areas which present a particular risk to the organisation in the management of complaints include services capacity to respond to complaints and allocate resource, ensuring the investigation is thorough and of high quality and improving the quality of the response back to the customer.

4.7 Our ability to provide quality services to the public continues to be our top priority but equally we recognise that in a difficult financial period and with ever increasing pressure and public expectations, we may not always get things right. Our ability to offer satisfactory remedies to complaints will continue to remain of critical importance and focus, with ongoing training and support offered by the Customer Resolution team in working with services.

Contact Officer: Service Director - Business Improvement, HR and Communication

Email: michaelpotter@barnsley.gov.uk

Date: 05 September 2022

20 July 2022

By email

Ms Norman
Chief Executive
Barnsley Metropolitan Borough Council

Dear Ms Norman

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.

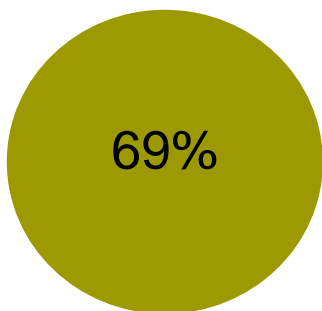
We were pleased to deliver two online complaint handling courses to your staff during the year. I welcome your Council's investment in good complaint handling training and trust the courses were useful to you.

Yours sincerely,



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

Complaints upheld



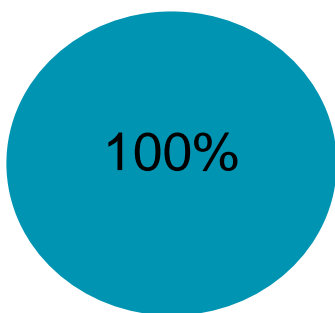
69% of complaints we investigated were upheld.

This compares to an average of **68%** in similar organisations.

9
upheld decisions

Statistics are based on a total of **13** investigations for the period between 1 April 2021 to 31 March 2022

Compliance with Ombudsman recommendations



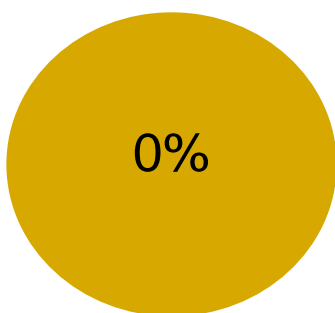
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **100%** in similar organisations.

Statistics are based on a total of **5** compliance outcomes for the period between 1 April 2021 to 31 March 2022

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **11%** in similar organisations.

0
satisfactory remedy decisions

Statistics are based on a total of **9** upheld decisions for the period between 1 April 2021 to 31 March 2022

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