



# Public Document Pack STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB  
Telephone 01453 766321  
www.stroud.gov.uk Email: [democratic.services@stroud.gov.uk](mailto:democratic.services@stroud.gov.uk)

06 April 2023

## AUDIT AND STANDARDS COMMITTEE

A meeting of the Audit and Standards Committee will be held on **TUESDAY, 18 APRIL 2023** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm**

Kathy O'Leary  
Chief Executive

**Please Note:** The meeting is being held in the Council Chamber at Stroud District Council and will be streamed live on the Council's [YouTube Channel](#). A recording of the meeting will be published onto the [Council's website](#). The whole of the meeting will be recorded except where there are confidential or exempt items, which may need to be considered in the absence of press and public.

If you wish to attend this meeting, please contact [democratic.services@stroud.gov.uk](mailto:democratic.services@stroud.gov.uk).  
This is to ensure adequate seating is available in the Council Chamber.

### AGENDA

1. **APOLOGIES**  
To receive apologies for absence.
2. **DECLARATION OF INTERESTS**  
To receive declarations of interest.
3. **MINUTES (Pages 3 - 20)**  
To approve the minutes of the meeting held on 29 November 2022 and 7 February 2023 and the Exempt minutes of the 7 February 2023.
4. **PUBLIC QUESTIONS**  
The Chair of the Committee will answer questions from members of the public submitted in accordance with the Council's procedures.

#### **DEADLINE FOR RECEIPT OF QUESTIONS Noon on Wednesday, 12 April 2023**

Questions must be submitted to the Chief Executive, Democratic Services,  
Ebley Mill, Ebley Wharf, Stroud and can be sent by email to  
[Democratic.services@stroud.gov.uk](mailto:Democratic.services@stroud.gov.uk)

5. **MEMBER QUESTIONS**  
See Agenda Item 4 for deadlines for submission.

6. **INFORMATION SHEETS**
  - (a) Planning Enforcement (Pages 21 - 22)
  - (b) Air Source Heat Pumps (Pages 23 - 24)
  
7. **REVISED COMPLAINTS & FEEDBACK POLICY (Pages 25 - 58)**  
To approve the revised Complaints & Feedback Policy.
  
8. **REVIEW OF THE RISK MANAGEMENT POLICY STATEMENT AND STRATEGY (Pages 59 - 70)**  
To consider the updated Risk Management Policy Statement and Strategy.
  
9. **COUNTER FRAUD AND ENFORCEMENT UNIT REPORT AND REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 / INVESTIGATORY POWERS ACT (IPA) 2016 UPDATE (Pages 71 - 76)**  
To provide the Audit and Standards Committee with assurance over the counter fraud activities of the Council in relation to the work undertaken by the Counter Fraud and Enforcement Unit.  
  
The report also provides the Audit and Standards Committee with the updates in relation to the work streams associated with the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.
  
10. **TREASURY MANAGEMENT REPORT QUARTER 3 (Pages 77 - 88)**  
To provide an update on treasury management activity as at 31/12/2022.
  
11. **DRAFT INTERNAL AUDIT PLAN 2023-24 (Pages 89 - 98)**  
To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2023-24, as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.
  
12. **STANDING ITEMS**
  - (a) Corporate Risk Register Update (Pages 99 - 106)
  - (b) To consider the Work Programme (Pages 107 - 108)
  
13. **INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022-23 (Pages 109 - 122)**  
To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2022-23.

#### **Members of Audit and Standards Committee**

##### **Councillor Nigel Studdert-Kennedy (Chair)**

Councillor Paula Baker  
Councillor Stephen Davies  
Councillor Nick Hurst  
Councillor Norman Kay

##### **Councillor Martin Pearcy (Vice-Chair)**

Councillor Keith Pearson  
Councillor Ashley Smith  
Councillor Rich Wilsher



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## AUDIT AND STANDARDS COMMITTEE

Tuesday, 29 November 2022

7.00 - 8.40 pm

Council Chamber

### Minutes

#### Membership

\* **Councillor Nigel Studdert-Kennedy**  
(Chair)

Councillor Paula Baker

\* Councillor Stephen Davies

Councillor Nick Hurst

Councillor Norman Kay

\*Absent

**Councillor Martin Percy (Vice-Chair in**  
**Chair)**

Councillor Keith Pearson

Councillor Ashley Smith

Councillor Rich Wilsher

#### Officers in Attendance

Strategic Director of Resources

Corporate Director (Monitoring Officer)

Democratic Services & Elections Officer

Principal Accountant

Accountancy Manager

Head of Service Counter Fraud and  
Enforcement Unit

Principal Auditor

Group Manager- Audit Risk Assurance  
(ARA)

#### Others in Attendance

Umair Asghar – Deloitte

#### ASC.028 Apologies

Apologies for absence were received from Councillors Davies and Studdert-Kennedy.

As Councillor Studdert-Kennedy had provided his apologies for the meeting Councillor Percy proceeded as Vice-Chair in the Chair for the meeting.

#### ASC.029 Declaration of Interests

There were none.

#### ASC.030 Minutes

**RESOLVED** That the Minutes of the meeting held on 27 September 2022 were approved as a correct record.

#### ASC.031 Public Question Time

There were none.

**ASC.032     Member Questions**

There were none.

**ASC.033     Counter Fraud and Enforcement Unit Report**

The Head of Service, Counter Fraud and Enforcement Unit provided a brief update on the work their team had been completing and highlighted the following key points:

- 2.4 on page 10 of the reports pack outlined the Member Code of Conduct investigation that had been completed.
- 2.6 detailed that work that had begun regarding earnings information declared for the purpose of Test and Trace payments and Council Tax Support claims.
- 2.8 outlined the progress relating to the review of National Fraud Initiatives (NFI) data matching referrals on behalf of Revenues and Benefits.
- A report regarding the enforcement of Housing and Tenancy Fraud by the Council on behalf of Social Housing Providers within the district was approved at Housing Committee as detailed in 2.10.
- 2.15 onwards included an update which related to processes and activities in relation to the Regulation of Investigatory Powers Act (RIPA) 2000 and Investigatory Powers Act (IPA) 2016.

The Head of Service, Counter Fraud and Enforcement Unit advised that at the last committee meeting there was a question raised regarding the information provided at the bottom of the Council Tax bills issued to residents. She confirmed that there was a note on the bottom reminding residents to update the Council regarding any changes that affected discounts and exemptions and that she had requested the additional line 'if you don't, you may be subject to a penalty'.

The Head of Service, Counter Fraud and Enforcement Unit gave the following answers in response to questions asked:

- 2.10 detailed £44,927 of increased revenue. This was the total figure of money owed from single person discount anomalies and would be recovered over a period of time in line with usual Council Tax collection processes.
- The £70 fixed penalty was set by legislation and could not be amended.
- The 20 civil penalties mentioned in 2.10 were applied for two reasons. Either residents did not declare that their situation in relation to Single Person Discount had changed within a timely manner or the information provided was false to begin with.
- The NFI matches were due to be completed by the end of December 2022.

Councillor Hurst proposed and Councillor Baker seconded.

After being put to a vote, the Motion was carried unanimously.

**RESOLVED To consider the report and comment as necessary.**

**ASC.034     Annual Audit Letter**

Umair Asghar from Deloitte presented this item. The letter summarised the outcome of the audits carried out in 2021/22.

The following answers were given in response to questions from Members:

- Page 18 mentioned delays with returning audit evidence. This was due to annual leave, once this had been finalised a breakdown of the additional costs would be provided to the Committee.

2022/23

- The work on the car parks valuation detailed on page 26 was still ongoing and they were on the second round of queries. So far there had been no major changes and it was hoped to be concluded shortly.
- Page 32 detailed the discrepancies found with the Fixed Asset Register (FAR).
- The initial valuation of the car parks was outside of the acceptable variation range which is why it was considered to be overstated.
- Page 27 described the Goodwin judgement which was a historical case relating to pension liability.

In response to the Chair, Councillor Percy, the Accountancy Manger explained that the valuations were carried out by an external valuer and that Covid had an impact on revenue which in turn lowered the value of the car parks. The Strategic Director of Resources also confirmed that there were complex rules around valuing assets and that it was based on a long term assessment of rental income.

### **ASC.035 Statement of Accounts 2021/22**

The Principal Accountant introduced the report and explained that the statement of accounts was initially signed off on the 28 July 2022 and the audit had begun on the 1 August 2022. He then drew the Committee's attention to the following key points:

- Page 52, table 1 highlighted the changes that had been made to the accounts throughout the audit process.
- The balance sheet found at page 72 of the reports pack was not the full balance sheet. It was missing the reserves which could be found in columns F and G on page 70 of on pages 115 - 116 of the reports pack.
- Pages 55 - 65 outlined the Section 151 Officer's summary of the year.
- Page 70 of the reports pack showed the movement of reserves.

The Strategic Director of Resources explained that there had been a misprint with the balance sheet found on page 72 however all the relevant information was included within the statement of accounts.

The Monitoring Officer advised that the decision be amended to include 'subject to the re-formatting of the balance sheet'. The Councillors agreed.

Councillor Kay proposed and Councillor Pearson seconded.

After being put to a vote, the Motion was carried.

### **RESOLVED To**

- Approve the audited statement of accounts for the year ending 31 March 2022; and**
- Subject to the re-formatting of the balance sheet, approve that the Strategic Director of Resources and Chair of the Audit Committee sign the Statement of Accounts and the letter of representation.**

### **ASC.036 Half Year Treasury Management Report 2022/23**

The Principal Accountant introduced the report and explained that there were no proposed changes to the strategy within the report and it was solely focused on the performance areas of Treasury Management. He then proceeded to provide an overview of the report and informed the Committee of the following:

- Page 158 outlined the principal for investments. Priority was given for Security, Liquidity and Yield. They had added a fourth priority for Environmental, Social and Governance (ESG).
- Table 4 outlined the investments and borrowing at the end of quarters 1 and 2.
- The interest rates had risen above the predicted percentage which made it increasingly difficult to predict future costs.
- There had been no external borrowing during the half year.
- There was £2m due to be repaid in February 2023.
- A full economic update had been included on page 167 of the reports pack.

In response to Councillor Kay, it was confirmed that the 1m invested in Thurrock District Council was repaid in full.

The Principal Accountant explained, in response to Councillor Wilsher, that all investments were subject to the first 3 priorities as set out in the Treasury Guidelines. If investments of a similar return were equal on the first 3 principals, then it would fall to the fourth principal for a better ESG rating to decide where to invest. Councillor Wilsher expressed concerns with companies who had questionable ethics but who would have a better ESG rating. The Strategic Director of Resources explained that the Ethical Investment Policy, which came into force from the 1 April 2022, clarified what areas not to invest in.

Councillor Hurst questioned whether the £102m of borrowing was on a fixed term interest rate. The Principal Accountant confirmed that it was.

Councillor Wilsher proposed and Councillor Pearson seconded.

Councillors Pearson and Kay commended the Officers for their report.

After being put to a vote, the Motion was carried unanimously.

**RESOLVED To accept the Treasury Management half year report.**

### **ASC.037    Internal Audit Progress Report 2022/23**

The Group Manager introduced the report and explained that it consisted of finalised outcomes for the period September – October 2022 and confirmed the status of work as at the 31 October 2022. She gave a brief overview of the report:

- 3 summary paragraph outcomes which included 1 acceptable assurance and 2 interim updates on larger activities.
- An update on the Audit Risk Assurance (ARA) Counter Fraud actions for that period.
- Pages 183 – 185 of the reports pack outlined the movement of progress since the previous report (presented to the September Committee).
- 3 additional high priority activities had been added to the Internal Audit Plan during the year. The new activities and in year risk assessment review & update had led to wider audits being considered for deferral, as reflected on pages 183 - 185.

In response to Councillors, the ARA team gave the following answers:

- 100 cases were identified within tranche 1 of the Covid Grants assurance work as having an anomaly. These were all investigated and the results were referred to the Revenues and Benefits Manager. A further review was ongoing within 2022/23 (tranche 2) and would be reported to Committee at the end of the audit year.
- Page 176 highlighted an observation and risk for the Demonstrator Grant project. Due to the timing of the ARA activity, management had confirmed that the recommendations

2022/23

would be actioned for subsequent projects (for example, the 'Wave One' project) to support control improvement.

Councillor Baker Proposed and Councillor Hurst seconded.

Councillor Kay commended the work of the Officers.

After being put to a vote, the Motion was carried unanimously.

#### **RESOLVED To**

- a) **Accept the progress against the Internal Audit Plan 2022-23; and**
- b) **Accept the assurance opinions provided in relation to the effectiveness of the Council's control environment (comprising risk management, control and governance arrangements).**

#### **ASC.038 Corporate Risk Register Update**

The Strategic Director of Resources explained that there were very few changes within the report and proceeded to highlight the following key points:

- The scoring of CCR4 had been reviewed at the request of the Committee and was scheduled to be reviewed again in February 2023.
- CCR8 had been reduced due to the result of the triennial valuation which allowed the Councils pension contributions to be frozen at their current level for the next 3 years.
- CCR9 definition had been clarified.

The Strategic director of Resources also informed the Committee that they had completed the procurement of the new Risk Management System, Pentana Risk. He further confirmed that Councillors would have access to the system once it was up and running.

Councillor Baker questioned the low severity of CCR95, the Strategic director of Resources agreed to get this reviewed by the Risk Owner.

In response to Councillor Pearson the Strategic Director of Resources confirmed that the inflation risk was included within the CCR1 risk which covered the general balancing of the account however, he would take the comments on board and review the wording for CCR1.

In response to Councillor Smith, the Strategic director of Resources confirmed that there was an audit planned for later in the year with regard to cyber security. The Group Manager confirmed that piece of work had already begun.

The Chair, Councillor Percy, raised a concern with the CCR1 risk target which suggested a risk appetite. The Strategic director of Resources confirmed that the scoring reflected the income challenges and the risk within that as opposed to creating a risk appetite for a balanced budget which was not the case.

#### **ASC.039 To consider the Work Programme for 22 / 23**

The Group Manager informed the Committee of a Risk Based Audit Planning Workshop which would be taking place prior to the next committee and asked all Audit and Standards Committee Councillors to attend. The request was supported by the Committee Chair.

The meeting closed at 8.40 pm

Chair

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## AUDIT AND STANDARDS COMMITTEE

Tuesday, 7 February 2023

7.00 - 9.18 pm

Council Chamber

### Minutes

#### Membership

**Councillor Nigel Studdert-Kennedy (Chair)**

Councillor Paula Baker

Councillor Stephen Davies

\* Councillor Nick Hurst

\* Councillor Norman Kay

\*Absent

**Councillor Martin Percy (Vice-Chair)**

Councillor Keith Pearson

\* Councillor Ashley Smith

Councillor Rich Wilsher

#### Officers in Attendance

Strategic Director of Resources

Corporate Director (Monitoring Officer)

Strategic Director of Communities

Interim Head of Housing Services

Principal Accountant

Accountancy Manager

Principal Auditor

Principal Auditor ICT and Data Analytics

Senior Policy and Governance Officer

Democratic Services & Elections Officer

#### ASC.040 Apologies

Apologies for absence were received from Councillors Hurst, Kay and Smith.

#### ASC.041 Declaration of Interests

There were none.

#### ASC.042 Minutes

It was agreed to defer the signing of the minutes until the next meeting due to a number of Members not being present at the meeting on the 29 November 2023.

**RESOLVED To defer the signing of the minutes until the next meeting.**

#### ASC.043 Public Questions

There were none.

#### ASC.044 Member Questions

There were none.

#### ASC.045 Contract Management Framework Update

The Senior Policy and Governance Officer introduced the report and highlighted section 2 on pages 10 and 11 of the reports pack. She further highlighted that:

- Additional rounds of training for Officers had begun.
- Strategic Directors would receive regular updates.
- A new Corporate Governance Group had been created to identify governance issues surrounding contract management and procurement.
- A new risk management system had recently been procured and would be rolled out in the coming months.
- As a result of the new National Procurement Strategy, the Procurement Strategy and the Contract Management Framework would need to be updated.

The Senior Policy and Governance Officer explained , in response to a question, that when there were items that had not been completed on time, managers were asked to update them, an explanation was not usually requested.

Councillor Davies highlighted on page 27 that there was no inclusion for cloud-based applications. The Senior Policy and Governance Officer agreed to get the framework updated and explained that minor amendments to the framework would be approved by the Strategic Director of Resources.

Councillor Wilsher Joined the meeting.

Councillor Percy raised a concern with the final bullet point on page 15 paragraph 2.4. The Senior Policy and Governance Officer explained that if Stroud District Council (SDC) was the lead authority then they would be following all procedures as usual and if another authority was leading on the contract, then SDC would need to follow their contract management procedures. Councillor Percy requested to add 'unless SDC is the lead authority' following the third bullet point. The Senior Policy and Governance Officer agreed.

In response to Councillor Baker, it was confirmed that all the information surrounding procurement was on the Staff Hub and it was recommended that Officers come to the Policy Team for advice if required.

Councillor Pearson proposed and Councillor Percy seconded.

Councillor Pearson commended Officers for the report.

After being put to a vote, the Motion was carried unanimously.

**RESOLVED To:**

- a) Note the progress made to date on embedding the Contract Management Framework across the authority and endorse the plans for its continued development.**
- b) Agree that the Strategic Director of Resources have delegated authority to make minor amendments to the Contract Management Framework.**

**ASC.046      Out Of Hours Service Update**

The Strategic Director of Communities introduced the report and explained that there was an incident on the 17 December 2023 where some tenants couldn't access the Out Of Hours (OOH) service. The Strategic Director of Communities reassured the Committee that the issue had been taken very seriously. The Housing Committee had been briefed the following week and it was felt a verbal update to the Committee was necessary.

The Interim Head of Housing explained in detail the events of the incident and the steps that were taken to manage the situation:

- The incident on the 17 December was due to exceptional cold weather circumstances. The OOH service providers across the Country experienced the same drastic increase in demand and therefore did not have the capacity to manage all of the incoming calls.
- Officers on call over the weekend following the incident were out delivering heaters, visiting vulnerable residents or assisting with queries over the phone.
- Orbis received over 1000 calls, 10% of which were from the same number.

She further updated the committee with the steps that had been put in place since the incident which included:

- SDC had asked Orbis to put a message on the phonenumber when experiencing high levels of calls to provide email and text options to tenants who cannot stay on the line.
- Standby arrangements were put in place over the Christmas period where at least 4 Officers were on call should Orbis have met any of the thresholds.
- SDC were looking to provide clarification for tenants, as to what was classed as an emergency and who to contact in certain situations. This would be updated in the current Tenant Handbook and circulated via all communication channels with tenants.
- Orbis had been asked to not only email SDC once a threshold had been met but to actively contact the SDC Officer on call to alert them.
- Highlighted relevant information on the SDC website for residents and tenants to refer to when required.

In response to Councillor Pearson, the Interim Head of Housing advised that had the incident taken place on a weekday the OOH service would have had the same issues due to the extreme increase in demand.

Councillor Pearson raised concerns with the air source heat pumps not working at low temperatures. The Interim Head of Housing advised that some of the earliest versions installed struggled to work below minus five degrees however in some situations they had been switched off and could not start at the lower temperature.

In response to Councillor Davies, the Interim Head of Housing agreed:

- To provide further information on the air source heat pumps and whether there was an issue of working below a certain temperature.
- To provide a monthly reporting figures for the Orbis contract.

Councillor Pearcy debated whether it would be useful to understand why some individuals had attempted to contact the OOH service multiple times. He further stated that Orbis should alert SDC earlier than mid-day in order to allow time to coordinate a response.

In response to Councillor Baker, the Interim Head of Housing confirmed that:

- The OOH service did not include provisions for homelessness that was a separate issue.

- The OOH contract was managed by the property services team due to the fact that the majority of calls were for repairs. Other services also had their own OOH arrangements.

**ASC.047      TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY STATEMENT 2023/24**

The Principal Accountant introduced the report and provided a brief overview of the contents of the report, highlighting the tables throughout. He also drew the Committees attention to page 36 which contained the new liability benchmark.

In response to Councillor Davies, the Principal Accountant confirmed the following:

- Table 2 on page 34 detailed the Capital Financing for 2021 – 2026. The table showed a large uplift in borrowing from 2022/23 – 2023/24 which was largely due to the Housing Revenue Account (HRA).
- SDC received quarterly reports from Camdor Global Advisors regarding the Environmental, Social and Governance (ESG) rating of the banks they had invested with.

Councillor Wilsher received the following answers in response to his questions asked:

- Paragraph 4.10 on page 43 outlined the investments within money market funds which totalled £12m.
- Camdor Global Advisors had been asked to provide assessments of ESG ratings of Countries in addition to the reports provided on banks and they were looking into the feasibility of this.
- The Council was bound by the first three elements: security, liquidity and yield regarding investments and then would consider the newly introduced fourth element (ESG) after the initial three elements had been met.

In response to Councillor Pearson, the Principal Accountant confirmed that the policy would be reviewed again next year and any changes surrounding the need for borrowing would go through the Section 151 Officer in consultation with Link the Treasury Advisors.

The Strategic Director of Resources explained the following, in response to Councillor Percy:

- Due to a number of factors, SDC was considered a very liquid Council which meant daily borrowing was not required as with other councils.
- The Council hadn't taken on any internal borrowing for a few years however due to the ambitious Capital Programme there was an allowance for borrowing which would be reviewed annually.

The Accountancy Manager confirmed that the HRA was setting aside the funding towards the repayment of debt in an earmarked reserve. That allowed future flexibility to use for other purposes should the need arise however no decisions had been made to date.

In response to a question from Councillor Studdert-Kennedy it was agreed that figures surrounding the repayment of debt would be circulated after the meeting.

Councillor Davies proposed and Councillor Percy seconded.

After being put to a vote, the Motion was carried unanimously.

- RECOMMEND THAT COUNCIL**
- a) adopt the prudential indicators and limits for 2023/24 to 2025/26;
  - b) approve the Treasury Management Strategy 2023/24, and the treasury prudential indicators;
  - c) approve the Investment Strategy 2023/24, and the detailed criteria for specified and non-specified investments; and
  - d) approve the MRP Statement 2023/24
  - e) approve the Ethical Investment Policy

**ASC.048 ANNUAL GOVERNANCE STATEMENT 2021-22 IMPROVEMENT PLAN – PROGRESS**

The Principal Auditor introduced the report and explained that the Annual Governance Statement (AGS) was approved by Committee on the 9 July 2022. This report detailed the management action taken place since then to address the issues raised in the original AGS report. She then drew the Committees attention to pages 70-72 of the reports pack which outlined the actions taken.

Councillor Davies raised concerns with the publics ability to contact Officers working from home. The Strategic Director of Resources explained that they had monthly call stats which detailed the number of calls received and in response to those figures, actions had been taken to ensure the levels were in line with those agreed in the Service Standards. In response to Councillor Davies, the Strategic Director of Resources agreed to share the figures outside of the meeting.

Councillor Percy requested further narrative from the Lead Officers regarding the actions that had been undertaken. The Strategic Director of Resources agreed to take the comments back to the team.

In response to the Chair, the Principal Auditor confirmed that the assurance work which would feed into the 'Procurement – Non-compliance with Internal Regulations' audit had begun and was on target.

The Strategic Director of Resources explained that there were several new policies in place such as the Service Standards through which Officers were assessed. He further explained that they had recently procured a new performance management system which would replace the old system and Strategic Leadership Team would continue to receive updates.

**RESOLVED To review and consider the actions taken to address the governance improvement areas identified.**

**ASC.049 Unified Code of Conduct**

The Corporate Director (Monitoring Officer) introduced the report and explained that the Unified Code of Conduct had been created by a group of Gloucestershire Monitoring Officers in order to create consistency at each level. This would be shared across County, District and Parish and Town Councils should they choose to adopt it.

Councillor Davies questioned why the code was not included in the documents pack. The Monitoring Officer apologised and explained although it was not included in the pack it had been shared with all members during the consultation period and it had been approved by the Constitution Working Group of which two members were present.

Councillor Pearson proposed and Councillor Davies seconded.

Councillor Pearson stated that they had voted to accept the unified code of conduct at their Parish meeting earlier that week.

After being put to a vote, the Motion was carried unanimously.

**RECOMMENDED To adopt the unified code of conduct  
TO COUNCIL**

**ASC.050 Corporate Risk Register Update**

The Strategic Director of Resources introduced the item and explained that he had included a small narrative of the changes as requested at the previous meeting which included:

- Risks CCR18 and CCR92 had met their review date and been reviewed with no changes to the scoring.
- Risk CCR4, previously Business Continuity and Emergency Planning, had been re-classified into Emergency Planning only.
- Risk CCR99, Business Continuity had been created.
- Risk CCR97, Failure to deliver the canal project on time and/or to budget had been created.
- Risk CCR98, Failure to meet the ambitions of the 2030 strategy had also been created.

Councillor Davies raised concerns with the measurability of the actions of CCR98. The Strategic Director of Resources agreed to ask the responsible Officer to review the actions.

Councillor Percy raised concerns with the actions of risk CCR2 still being red and amber. The Strategic Director of Resources agreed that they could provide an update to the Committee at the point that the risk was reviewed.

Councillor Pearson spotted that CCR96 and CCR97 were almost identical. The Strategic Director of Resources explained that CCR97 was the correct scoring and 96 was a duplicate which would be deleted.

**ASC.051 To consider the Work Programme**

Councillor Percy requested that the work programme be a 12 month rolling document. It was agreed for this to be amended for the next meeting.

**RESLOVED To note the above updates to the work programme.**

**ASC.052 INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022-23**

The Principal Auditor introduced the report and explained that appendix A contained an update from the Internal Audit progress for the period of time between November 2022 – Mid January 2023 and an update from the Audit Risk Assurance (ARA) Counter Fraud Team (CFT). She drew the Committees attention to the following:

- One activity was completed for which an assurance level was not required however they had provided assurance that the conditions of the grant offer letter had been met and the Council had received the full amount of the claim (£175k). Two medium priority

recommendations had been raised which could be found on page 92 of the reports pack.

- Pages 95-97 of the reports pack outlined the movement of progress since the previous Audit and Standards Committee meeting. Three additional, high priority, activities had been added to the plan therefore consideration had been given to activities that should be put forward for deferral.
- The CFT had reported no new irregularities. The report set out their current projects, and ongoing investigation of the one remaining Covid-19 grant related case.
- Internal Audit had continued to support the National Fraud Initiative data matching exercise which was detailed on page 93 of the reports pack.

Councillor Percy raised concerns on page 91 paragraph 2.4 (iii) where it referenced an informal agreement. The Principal Auditor explained that an outcome of the review was a recommendation to improve the internal controls such as informal agreements.

The Chair proposed, on the advice of the Monitoring Officer, that Appendix B of the Agenda Item 12 should be considered exempt and if agreed, any questions would be dealt with in closed session. The information was considered exempt as it related to the financial or business affairs of any particular person (including the authority holding that information).

After being put to a vote, the Motion was carried.

**RESOLVED Pursuant to the provisions of Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of this item at agenda item 12 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A of the Act.**

Councillor Davies proposed and Councillor Percy seconded.

After being put to a vote, the Motion was carried.

**RESOLVED To:**

- a) Accept the progress against the Internal Audit Plan 2022-23; and**
- b) Note the assurance opinions provided in relation to the effectiveness of the Council's control environment (comprising risk management, control and governance arrangements).**

The meeting closed at 9.18 pm

Chair

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### **ARA Information Sheet – Planning Enforcement – Follow up review.**

1. In 2021/22 Internal Audit completed a review of key service components for Planning Enforcement. Internal Audit raised five High and eight Medium Priority recommendations. The report was presented to the Audit and Standards Committee at their meeting in November 2021.
2. The scope of this follow up review, is to assess whether the recommendations have been successfully implemented, or whether arrangements are in place for future introduction.
3. Two of the recommendations focused on the process for staff, Member and stakeholder involvement for the adoption of the Operational Protocol which is operating from 1<sup>st</sup> January 2023. The evidence reviewed, verified that the above process was effectively put in place, and these recommendations have been implemented.
4. For two recommendations, Internal Audit consultancy and project input for new ways of Planning Enforcement working, during the testing of the Enterprise system for future implementation were requested. Internal Audit have provided relevant consultancy and project input integrating the Operational Protocol with the Enterprise software. These recommendations have been implemented.
5. One recommendation centred on providing staff training, Member and stakeholder improved awareness with understanding of the Operational Protocol. The evidence reviewed, confirms this recommendation has been implemented.
6. A recommendation was raised to consider re-evaluating pre-determined tolerances in managing the Planning Enforcement process. This has been implemented. As a result of the introduction of the Operational Protocol and Enterprise IT:
  - Procedures, alerts, and controls will be prioritised into three bands red, amber, and green, which will be time dependent where complaints are in the workflow; and
  - The workflow queue will document each staff allocated case and their stratified priority level.
7. A recommendation was made for the performance management framework to be reviewed as a result of the introduction of the Operational Protocol. In the Protocol the performance standards are clearly defined such as:
  - Triage complaint within five business days of receipt;
  - Where a planning breach has been identified, the initial site visit to be completed within 10 business days of allocation to an Enforcement Officer;
  - Keeping the complainant updated on open cases, no longer than 30 business days apart; and

**Paul Jones, Senior Internal Auditor**  
**Ext: 4118**  
**Email: [paul.jones@stroud.gov.uk](mailto:paul.jones@stroud.gov.uk)**

- The Enterprise IT task parameters have been set up to match the Protocol, to implement the recommendation.
8. A recommendation was made to review and implement the communication arrangements for the Operational Protocol which was introduced in January 2023. This has been implemented. Section five of the report to the 15<sup>th</sup> November 2022 Development Control Committee (DCC), details the range of consultation with the Council's stakeholders and the relevant feedback was reported. Updates to the draft Protocol were made. The Protocol was approved at the DCC meeting on 15<sup>th</sup> November 2022. A copy of the Operational Protocol is accessible on the Council's website.
9. A recommendation was made to consider as a result of the Covid 19 pandemic, how the Planning Enforcement service could flexibly adapt to these environmental circumstances. This has been implemented. Audit enquiries confirmed that:
- Laptops have access to Microsoft 365 and staff can conduct their business remotely, with the objective of mitigating against the residual risk of contracting Coronavirus;
  - The laptops have the facility to access the Uniform and Enterprise system remotely, so staff are able to view their time dependent work flow activity; and
  - Procedure notes will facilitate staff completing the various Enterprise tasks, if they are working from home.
10. Due to Planning Enforcement staff prioritising their available time on service activity, Internal Audit were unable to confirm the recommendation implementation process for four recommendations, as follows:
- Completion of a service delivery resourcing assessment and business case for change;
  - Additional corporate financial resource support to deliver the Business Improvement Plan;
  - Service challenges such as increased demand of complaints, are met by financial resource approvals to hire experienced staff; and
  - Complete a staff time and task analysis for a limited period, which can be used to inform the staff resource needs for the service.
11. Internal Audit will continue to review the status of the above four recommendations. Once concluded, the outcomes will be reported to Audit and Standards Committee.

**Paul Jones, Senior Internal Auditor**  
**Ext: 4118**  
**Email: [paul.jones@stroud.gov.uk](mailto:paul.jones@stroud.gov.uk)**

## Heat Pumps

### How they work

Heat pumps feature a refrigerant circuit that compresses gas to create heat. The refrigerant is a liquid that absorbs heat (from the air or from the ground) and boils to become a gas. This gas is then compressed to create heat which is transferred for use within the home.

### Do heat pumps work in the cold weather?

Yes, most heat pumps can continue to work in conditions of -10°C and certain heat pumps can work in temperatures as low as -20°C.

The refrigerant liquid is capable of absorbing heat in very low temperatures which means a heat pump can continue to provide warmth to a home even where the temperature outside has dropped, which makes heat pumps an effective low carbon option. Only when the heat pump's minimum working temperature is reached will the heat pump stop working.

Air source heat pumps may have reduced power in the cold. This is because as the heat is extracted from the air, the condensation on the evaporator may freeze. When this happens the efficiency of air source heat pumps may be lower as the equipment will enter a reverse cycle (defrost mode) to melt any condensation that has frozen onto the evaporator.

### Stroud District Council Heat Pumps

SDC have 42 ground source and 493 air source heat pumps. The units have been installed according to the manufacture's specification, which suggests all of our units can work in temperatures up to -20°C.

These pumps have been procured and installed over a number of years and as such reflect changes in technology over time. Nevertheless, the specification of all the pumps servicing our properties meet effective operating standards and are effective in temperatures of at least -12°C.

### Heat pump care

Heat pumps are most efficient when they are left running, regardless of the weather. Temperature management can be controlled within the property. Turning a heat pump on only in cold weather can cause the device to malfunction.

The purpose of the defrost mode on a heat pump is to prevent ice from accumulating inside the system, which could ultimately cause it to break down.

**ASHLEY HEAL, HEATING AND ELECTRICAL MANAGER**  
**Ext: 4542**  
Email: [ashley.heal@stroud.gov.uk](mailto:ashley.heal@stroud.gov.uk)

There are steps that end user can take to protect their heat pumps against the cold:

- Ensuring the heat pump is regularly maintained and serviced annually
- Conceal any exposed pipework.
- Heat pumps need space around them so that the air can move through the heat pump and dissipate, so keeping space clear is important
- Raise any issues with heat pump as soon as noticed
- Keep heat pump switched on to allow defrost mode to activate.

The better protected a heat pump is from the elements, the less of an impact cold weather will have on the unit.

**ASHLEY HEAL, HEATING AND ELECTRICAL MANAGER**  
**Ext: 4542**  
**Email: [ashley.heal@stroud.gov.uk](mailto:ashley.heal@stroud.gov.uk)**

**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**  
**TUESDAY, 18 APRIL 2023**

<b>Report Title</b>	<b>Revised Complaints &amp; Feedback Policy</b>			
<b>Purpose of Report</b>	To consider the revised Complaints & Feedback Policy			
<b>Decision(s)</b>	<b>The Committee RECOMMENDS to Council:</b> <b>(a) To adopt the revised Complaints &amp; Feedback Policy; and</b> <b>(b) Delegate authority to the Strategic Director of Resources to approve minor changes to the policy.</b>			
<b>Consultation and Feedback</b>	<ul style="list-style-type: none"> <li>• Corporate Policy &amp; Governance Team</li> <li>• Community Access &amp; Engagement Manager</li> <li>• Strategic Leadership Team</li> <li>• Leadership &amp; Management Team</li> <li>• Social Housing Services</li> <li>• Involved Tenants Group</li> <li>• Equality, Diversity and Inclusion Working Group</li> <li>• All Group Leaders</li> </ul>			
<b>Report Author</b>	Owen Chandler, Information Governance Officer Email: <a href="mailto:owen.chandler@stroud.gov.uk">owen.chandler@stroud.gov.uk</a>			
<b>Options</b>	None			
<b>Background Papers</b>	Housing Ombudsman's Complaint handling code April 2022 Local Government & Social Care Ombudsman's 'Effective complaint handling for local authorities' May 2022			
<b>Appendices</b>	Appendix A: 2023 Complaints & Feedback Policy v2.5 Appendix B: 2019 Corporate Complaints Policy & Procedure Appendix C: Equality Analysis Form Appendix D: 2023 Complaints Process Flowchart			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	Yes	Yes	No

## 1. INTRODUCTION

- 1.1 In 2019 the current 'Corporate Complaints Policy & Procedure' document [Appendix B] was put into operational use. This policy was designed for feedback received from external stakeholders such as customers, service users and Council social housing tenants. The revised policy continues to follow this designation. While this is predominantly an operational policy, as one of our key customer facing documents it is important that members are aware of this review and confirm their support for the revised policy.

- 1.2 Since the introduction of the 2019 policy there have been changes to officer roles and general updates to complaints best practice which needed to be reflected in the operational policy.

This review also provided the opportunity to ensure that as a key customer facing document the Complaints & Feedback policy reflects our organisational Values and Behaviours and Council service standards. This updated One Council policy provides a useful reference document for all stakeholders and facilitates a consistent level of service across the whole Council.

## 2. KEY CHANGES

- 2.1 Although the principles of the complaints & feedback policy remain unchanged, it has been updated to reflect current best practice of the Local Government and Social Care Ombudsman and Housing Ombudsman.
- 2.2 The revised complaints & feedback policy has been widely consulted throughout the authority with key stakeholders. The main changes are detailed below.
- 2.3 **Policy name changed from 'Corporate Complaints Policy & Procedure' to 'Complaints & Feedback Policy'**. This change has been made to reflect that we are interested in all feedback and removing 'corporate' makes it clearer that the policy is for our customers and not just an internal document.
- 2.4 **Standardised response times to stage 2 complaints.** All stage 2 complaints now have up to 20 working days to send a final response. This homogenises the time to respond across all complaints leading to a consistent service and a predictable experience for complainants. For reference, Housing and Information Governance complaints already had 20 working days to respond, this change brings our other complaints in line with these. We are still well within the local government ombudsman's recommendation that local authorities should be allowed "up to 12 weeks for a full response to the complaint".
- 2.5 **Introduced a peer-review for stage 2 complaints.** We know that when a complaint is made, our customers expect a fair and thorough investigation. While we're confident this has always been the case, we wanted to evidence this as part of our stage 2 process. As such, any stage 2 complaint responses will be reviewed by a senior officer from a service area not related to the complaint. This peer-review will check that the responses are clearly written and that any arguments or findings are fair and accurate. The senior officer carrying out the peer review has the authority to request the originating service amend the complaint response if it fails any of these tests.
- 2.6 **Delegation to Strategic Director of Resources** - We have added in a final section to delegate authority to the Strategic Director of Resources to approve minor changes such as improved analysis of all complaints and the reporting of low-level complaints which do not reach the stage 1 threshold. These changes will help us better understand the needs of our customers and deploy resources to the areas that matter the most to our communities.

## 3. NEXT STEPS

- 3.1 **Technology Improvements.** We are in a period of significant technological improvement through the 'fit for the future' programme, and we want to improve our policies and procedures as new technologies and systems are developed. This revised policy allows us to work towards controlled improvements to reporting and analysis as part of the programme.



**3.2 Unacceptable Behaviour Policy.** Given its relevance to the Complaints & Feedback policy, a separate review is being undertaken of our suite of policies related to unacceptable behaviour. This will assess our existing policies to ensure they reflect the increasing prevalence of digital unacceptable behaviour and collate them into a single document where applicable. The policies affected are: unacceptable behaviour by complainants, violence and aggression towards staff, personal security register, and lone working.

#### **4. IMPLICATIONS**

##### **4.1 Financial Implications**

No financial implications are anticipated from this new policy.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: [andrew.cummings@stroud.gov.uk](mailto:andrew.cummings@stroud.gov.uk)

##### **4.2 Legal Implications**

Compliance with the Housing Ombudsman's Complaint Handling Code ("the Code") forms part of the membership obligations set out in the Housing Ombudsman Scheme.

The Code seeks to be prescriptive only where the Ombudsman believes clear and consistent practice by all landlords is essential. The Ombudsman recognises that each landlord will need to adapt its complaints policy and processes to meet the needs of its residents. Consequently, there are some areas where a landlord can use its discretion, either for all residents or on a case-by-case basis, to achieve best practice in complaint handling.

Landlords will be asked to self-assess against the Code annually on a 'comply or explain' basis and publish this on their website. Non-compliance could result in the Ombudsman issuing complaint handling failure orders.

One Legal

Tel: 01684 272 691 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

##### **4.3 Equality Implications**

An EIA has been carried out by Officers in relation to the decision made in this report, attached at appendix C, and no equality implications arise.

##### **4.4 Environmental Implications**

There are no significant implications within this category.

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# Complaints & Feedback Policy

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April 2023

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Corporate Policy &  
Governance

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Stroud District Council  
Ebley Mill, Ebley Wharf  
Stroud  
GL5 4UB

Email: [customer.services@stroud.gov.uk](mailto:customer.services@stroud.gov.uk)

Website: <https://www.stroud.gov.uk/>

Telephone: 01453 766321

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## Introduction

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Stroud District Council is committed to delivering high-quality local services to support our communities, protect our environment and support the local economy. To help us achieve these goals we welcome your feedback and want to know when we get things right and when things go wrong.

This policy and procedure sets out how you can provide feedback and what we do with it. We have also adopted a [set of service standards](#) so you know what to expect whenever you contact us.

We follow the Local Government and Social Care Ombudsman's [best practice for complaints handling](#) and the Housing Ombudsman's [complaint handling code](#).

When you give feedback we will:

- Listen to you, understand your point of view and treat you with respect
- Keep you updated if we can't resolve something straight away
- Be honest and explain our decisions
- Put things right if something has gone wrong
- Learn from your feedback and continually improve our services

Just as we will treat you with respect and listen to your feedback, we expect you to respect and listen to us and understand what we can and can't deal with. We may not always be able to deliver what you want us to, but we will make sure we explain why if this is the case.

## Tips for making a complaint and giving feedback

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- Try to keep your feedback brief and to the point with the key events and what happened
- Tell us the dates and times in the order they happened
- Let us know if anyone else was involved including names, job titles or identifying characteristics
- Let us know what your desired outcome is and if you would like a response

## How can you make a complaint and give feedback?

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You can send feedback through any of our contact channels. When you get in touch, please let us know your preferences for how we should contact you.

- Online: [stroud.gov.uk/contactus](http://stroud.gov.uk/contactus)
- Email: [customer.services@stroud.gov.uk](mailto:customer.services@stroud.gov.uk)
- Phone: 01453 766 321<sup>1</sup>
- Post: Stroud District Council, Ebley Mill, Stroud, GL5 4UB
- Text: 07851 729 229 (start your message with the word: COUNCIL<sup>2</sup>)
- Face to Face with our community colleagues or by arranging an appointment to visit us at our main offices at [Ebley Mill](#)

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<sup>1</sup> Call charges may apply

<sup>2</sup> Messaging charges may apply

Appendix A

- Social Media:
  - Facebook: @strouddistrictcouncil
  - Twitter: @strouddc

### **What can we deal with under this policy?**

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There is a difference between the services that Town & Parish, District and County Councils provide. This policy covers feedback about the following Stroud District Council services:

- Animal Welfare
- Anti-Social Behaviour:
  - Fly Tipping
  - Dog Fouling
  - Littering
  - Noise
  - Graffiti
  - Abandoned Vehicles
- Building Control
- Business Rates
- Council Carparks
- Council owned Social Housing
- Council Tax
- District Council Staff
- District, Town and Parish Councillors
- Environmental Health
- Elections and Voting
- Food Safety
- Homelessness and Housing Advice
- Housing Benefit
- Licensing
- Pest Control
- Planning Applications & Policy
- Public Parks and Open Spaces
- Public Toilets
- Street Cleaning
- Waste & Recycling Collection

### **There are some exceptions**

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As public services are very varied, you might find that what you want to discuss with us has a separate regulation or may be the responsibility of another organisation. If you contact us about something that has its own procedure or is the responsibility of someone else, we'll let you know.

Common District Council issues that may have their own procedures are:

- **Planning appeals** go through the [Planning Inspectorate](#)
- Complaints made about **Council Staff** may be managed under internal disciplinary policies depending on the issues raised
- Complaints about **District or Town & Parish Councillors** will be investigated under the Nolan Principles and the [Council Code of Conduct](#) and are managed by the Monitoring Officer of the Council
- **Council Tax and Business Rates** may need to be escalated to the [Valuation Tribunal](#) rather than the Local Government Ombudsman depending on your complaint
- **Freedom of Information, Environmental Information Regulations and Data Protection** have an internal review process managed by the Data Protection Officer of the Council and regulated by the [Information Commissioner's Office](#)

**Gloucestershire County Council** has their own [complaints page](#) and they can help with:

- Adult Social Care
- Children and Young people's Services including Social Care
- Highways (Roads, Roadworks, Potholes etc.)
- Parked Vehicles breaking parking rules (e.g. double yellows)
- Household Recycling Centres
- Libraries
- County Councillors
- Education

If you have an issue with any **benefits** other than Council Tax Support or Housing Benefit, you'll need to contact the [Department of Work and Pensions](#).

For any feedback for **Town & Parish Councils** that isn't related to a Councillor, please [contact the Council directly](#).

Feedback about **schools, hospitals and private businesses** should be made directly to the organisation.

**Vehicles on a road that are a hazard** should be directed to the police by calling 101.

A matter related to the interpretation of the law or other **legal action** can only be resolved through the legal system and therefore won't be treated as a complaint.

**Insurance claims** are dealt with on their own merits and not as a complaint.

## **What is a complaint?**

---

We view complaints as an opportunity to improve and we want to make giving feedback easy. We will treat a complaint generally as "*an expression of dissatisfaction about a Council service that requires a response.*"<sup>3</sup>

Wherever possible we will try to resolve a valid complaint straight away. When we can't do that, we will agree with you further actions and timescales. We explain the complaints process in the [Our Complaints Procedure](#) section of this document. For all complaints we will record what went wrong and how we put things right to learn and improve.

We can decide to escalate an issue to a complaint if there are signs of dissatisfaction. Likewise we can decide to not treat something as a complaint if it is not valid. If we decide to not accept a complaint, we will give you a detailed explanation why and what your options are in a response.

Where we have followed our policies and regulations correctly but there is a difference of opinion, including policy disagreements, it is unlikely to be treated as a complaint.

---

<sup>3</sup> For housing complaints the exact definition used is: 'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents.'

## **Compliments and comments**

---

We want to know when we've delivered a good service and you can make a comment or compliment through any of our contact channels. Just like a complaint, we will listen to your feedback and learn from it to keep delivering the services you value.

When you send us a compliment or comment we will direct it to the service area it best relates to. There, a manager will assess the feedback and investigate any further actions needed.

If you have asked us for a response to your compliment or comment, we will make sure we reply to you within **10 working days**.

## **How we will learn from your complaints and feedback**

---

When we receive your feedback, as well as resolving your enquiry we will use the information you've given us to:

- Find the root cause of events and make improvements
- Monitor performance to ensure we're improving
- Identify patterns in the feedback we receive and investigate trends
- Publicly report our complaint and compliment performance annually
- Learn from our successes and failures

## **Using support to make a complaint or give feedback**

---

We understand that everyone is different, and you may want or need support to give feedback. We will support accessibility requirements where we can such as large print, braille, minicom facilities, physical access to buildings and interpretation services.

You may also ask a third party or representative to help you such as a friend, family member, Citizens Advice, legal adviser or your local Councillor or MP.

In these circumstances you must give explicit consent for them to support you with your enquiry. You can provide consent over the phone after answering security questions or you can give it in writing. Your consent is only applicable for the specific issue you have raised. Any further matters will need a new consent. We will record the consent on our system until your enquiry is resolved. If consent is written, the third party representative must be able to provide a copy to enable us to communicate with them.

## **Time limitations on making a complaint and giving feedback**

---

In general, making a complaint or giving feedback should be done as quickly as possible.

It is unlikely we will accept feedback that is over 12 months old as it can be impractical or impossible to effectively investigate and form a fair conclusion. In exceptional cases individual circumstances will be considered and we will inform you if we believe we can investigate the matter you raise.

Both the Housing and Local Government Ombudsman are also unlikely to take on a complaint which is over 12 months old.



## **Equality monitoring**

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We want to ensure that we are providing an equitable service to all our customers. As part of our feedback process we may ask you if your enquiry is related to any of the [protected equality characteristics](#). Providing this information is voluntary, and your choice will not affect how your complaint is investigated. We would encourage you to provide this data as it helps us assess if we're reaching all the District's residents, that our services are appropriate for everyone's needs and that any shortfalls are investigated and resolved.

## **How we manage your data**

---

All feedback received will be processed under UK Data Protection legislation<sup>4</sup>. When feedback is received it may need to be discussed with relevant Council service areas and external third parties to resolve any issues and implement corrective actions. Please do not supply any information you are not comfortable being shared in this way. We may contact you for more information if it is needed to resolve your feedback.

After the closure of your feedback your details including your name and contact details will be kept for up to two years, or longer if there is a statutory requirement, to allow us to put in place corrective actions and in case you contact us again about a related issue.

We ask that any feedback is given using a real name and contact information. While you can make a complaint anonymously, it is unlikely that we can investigate it thoroughly and put in place corrective actions without having contact with an individual. Anonymous complaints will be assessed to decide if there is adequate evidence to investigate.

## **Unacceptable behaviour**

---

We understand that when things go wrong it can often be personal and emotional. We will respect and listen to your feedback to resolve your concerns; however we will not accept any threatening, abusive or persistently vexatious behaviour made towards anyone involved with the Council. We likewise expect anyone working for the Council and Councillors to treat you with respect.

We have a [dedicated policy](#) which explains how we will manage unacceptable behaviour across our services.

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<sup>4</sup> The Data Protection Act 2018 and UK GDPR 2021

## **Our complaints procedure**

---

When a complaint is made, depending on the situation we'll deal with it in one of two ways.

- If you contact us to say something has gone wrong and we are confident we can fix the issue as part of our routine services, we will let you know right away what will happen and when the matter will be resolved. Much of the contact with the Council is dealt with this way as we appreciate that most of us want to quickly fix a problem and make sure it doesn't happen again.

For these types of complaints we may need time to fix the problem and we'll agree with you when we'll get back in touch to let you know when it's sorted.

- If you contact us and we can't confidently fix the issue as part of our routine services, or you have asked for a formal response, we will begin an investigation into your complaint by following our [Stage 1 process](#).

However your complaint is managed we will make sure we explain our understanding of your complaint, what you expect as an outcome and agree between us the actions that will be taken. At all stages we will ensure any parties related to the complaint have adequate opportunity to comment before a final decision is made.

We will also ensure each complaint is dealt with on its own merits and reviewed in an impartial manner. We will consider all the information and evidence carefully and only disclose your complaint as necessary to investigate the matter.

If after the stage 1 process you are dissatisfied with our decision, you can escalate your complaint to stage 2 within one month of our stage 1 decision. If you request escalation after this time the Council may require you to start the complaints process again.

At stage 2 we will review the stage 1 response and assess whether we have robustly investigated the complaint and responded appropriately. If after stage 2 you are still dissatisfied, you may have the right to escalate your complaint to a relevant [Ombudsman](#).

If a valid complaint has no prospect of resolution, such as where it is demanding actions that the Council cannot take, we may refer the complainant to an Ombudsman service without completing all stages of this complaint process.

Sometimes we will reach a decision which agrees with part of your complaint but not all of it. If this is the case, we will say that your complaint is 'partially upheld'. If this happens, we will give clear reasons for our decisions supported by relevant policy, law and good practice. You may still have the right to escalate the part we haven't upheld to the next stage. If your complaint goes to an Ombudsman, they may also only partially uphold your complaint.

As a public body we are dedicated to using public funds responsibly and will only issue financial compensation if required to as statutory payments or in exceptional circumstances. The Council's Social Housing function has a [compensation policy](#), this policy is only applicable to relevant housing complaints.

## Stage 1 Process

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When a complaint is received, we will record the complaint in our complaints system. The complaint will be allocated to the relevant service (Council Tax, Housing, Planning etc.) or where a complaint involves multiple services our contact centre will make it clear which service will lead your complaint and co-ordinate the response.

We will acknowledge all stage 1 complaints within **3 working days** of receiving them. We will contact you to explain what we understand your complaint to be, what you expect as the outcome, and we'll ask for more information if needed.

We will contact you throughout the complaint process if any other clarification or discussion is needed to investigate the matter.

We will provide a written decision to the complaint within **10 working days** or where this is not possible, we will be clear about the reasons why and arrange further contact at intervals agreed by you and us until the complaint is resolved. If you are still dissatisfied at the end of the stage 1 investigations, you can escalate your complaint to stage 2.

Our written decision will include:

- The original complaint (as agreed with you during the first acknowledgement)
- The steps we have taken to investigate the complaint
- What we've considered (applicable laws, policies, best practice)
- Our decision and the reasons for it
- What will happen next (any actions to be taken) and the timescales to do it
- Any lessons learned and changes we will make following your complaint
- How you can escalate your complaint if you still are dissatisfied
- Confirmation that your complaint was stage 1

## Stage 2 Process

---

Stage 2 is the last stage of our internal complaint process. We will acknowledge your complaint within **3 working days**, and we will set out our understanding of the outstanding issues and the outcomes you have told us you are seeking. We may ask for further clarification if any points are unclear.

A further investigation will be conducted and the decision, unchanged or amended, will be peer reviewed and considered by a manager from a different service area to the service that dealt with your stage 1 complaint. The peer review ensures an impartial assessment is made by someone unrelated to the service area for fairness and scrutiny.

Stage 2 investigations may take more time to complete as they can involve more in-depth investigation, interviews, visits or consultation with specialists.

Stage 2 reviews will generally receive a final decision within **20 working days** of escalation. In exceptional circumstances, where more time is needed for consultation or investigation, we will be clear about the reasons why and arrange further contact at intervals agreed by you and us until the complaint is resolved. If you are still dissatisfied at the end of our stage 2 investigation you will be told how to escalate your complaint to the relevant Ombudsman.

At the completion of stage 2 our written response will include:

- The original complaint (as agreed with you during the first acknowledgement)
- The steps we have taken to investigate the complaint
- What we've considered (applicable laws, policies, best practice)
- Our decision and the reasons for it
- What will happen next (any actions to be taken) and the timescales to do it
- Any lessons learned and changes we will make following your complaint
- Confirmation that your complaint was stage 2
- How to escalate your matter to the Ombudsman if you are still dissatisfied

## **Ombudsman Services**

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You will be given details of how to contact the relevant ombudsman as part of your complaint if it reaches stage 2.

- Local Government and Social Care Ombudsman  
For most Council services you will be directed to the Local Government Ombudsman. For more information you can visit [lgo.org.uk](http://lgo.org.uk) or phone 0300 061 0614
- Housing Ombudsman  
Council owned social housing complaints are escalated to the Housing Ombudsman. For more information you can visit [housing-ombudsman.org.uk](http://housing-ombudsman.org.uk) or phone 0300 111 3000

## **Future updates to this policy**

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The Council is committed to ensuring that we manage complaints and feedback using best practice and accurate, relevant reporting. To achieve this we may periodically review and update how we report complaints by using new technologies or amending operational processes.

The Strategic Director of Resources may authorise operational changes and any major policy amendments will be authorised by the District Council. If there are changes to the processing of personal data, this will be reflected in our Privacy Notices.

In parallel with improvements to our customer management systems we aim to improve reporting of the informal complaints that we resolve promptly but know have an impact on our customers. Changes to this reporting will be reflected in future transparency reports when the supporting systems are available.

<b>Document Responsibility</b>		
<b>Name</b>	<b>Document title</b>	<b>Service</b>
Owen Chandler	Complaints & Feedback Policy	Corporate Policy & Governance

<b>Document Version Control</b>			
<b>Date</b>	<b>Version</b>	<b>Issued by</b>	<b>Summary of changes</b>
September 2019	1.0	S Sen	Created
December 2022	2.0	O Chandler	Full rewrite
January - March 2023	2.1-2.5	O Chandler	Consultation amendments

<b>Policy Review</b>			
<b>Updating frequency</b>	<b>Review date</b>	<b>Person responsible</b>	<b>Service</b>
3 years	April 2026	Information Governance Officer	Corporate Policy & Governance

<b>Document Review and Approvals</b>		
<b>Name</b>	<b>Action</b>	<b>Date</b>
Audit & Standards Committee		18/04/2023
Council		27/04/2023

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# Stroud District Council

## Corporate Complaints Policy and Procedure

### Introduction

Stroud District Council is committed to providing a high standard of service to all residents. As part of our continuing effort to improve the services provided by us, we rely on feedback from our service users. We want to know when we get it right so that standards can be maintained or improved, but we also need to know when someone is not happy with the service they have received, so we welcome suggestions from our residents on how we can improve. Our aims with this policy are that:

- We will deal effectively with any concerns or complaints you may have about our services.
- We will apologise if we get something wrong, and where possible, try to put things right.
- We will try to learn from our mistakes and use the information we gain to improve our services.

### 1.0 Scope and purpose of the policy

#### 1.1. The purpose of this policy is to:

define what we consider a formal complaint to be;  
clarify how a complaint can be made;  
explain the process we will follow once a complaint is made;  
advise how non-Council complaints are dealt with;  
set out how the Council monitors complaints, and how this information is used to improve services;  
advise staff members on how to deal with complaints.

#### 1.2 We define a formal complaint as:

*“An expression of dissatisfaction about the Council’s action, lack of action or standard of service, or staff, which the service user wishes to be treated as a complaint”.*

#### 1.3 Examples of areas where this policy will not apply are set out below:

allegations of criminal activity (this would be dealt with under the Whistleblowing Policy)  
allegations of professional negligence / compensation claims  
complaints about Councillors  
court matters  
staff employment matters

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- 1.4 The final decision as to whether or not a complaint should be dealt with under this policy will be made by the Complaints Manager. When you express concerns or complain to us, we will usually respond in the way we explain below. However, sometimes you may have a statutory right of appeal (e.g. against a refusal to grant you planning permission) so, rather than investigate your complaint, we will explain to you what you need to do in these circumstances.
- 1.5 The purpose of the complaints process is to resolve complaints and to give a structure to the process we will use to do so. If necessary, we will investigate a complaint and determine whether or not the relevant service department has acted in accordance with legislative requirements, or in line with approved policies and procedures. It is important to point out that this process will not overturn any decisions which have been made properly.

**2.0 A complaint or a service request?**

2.1 It is important that we understand at the outset whether your dissatisfaction about a particular service is a complaint or a service request. For many of our services (for example, reporting a council property repair or missed bin collections) we rely partly on our residents to tell us when something is wrong. The Council should be given the opportunity to try and resolve the matter so these initial contacts will be treated as requests for service not complaints. If you make a request for a service and you are not happy with the response or the way in which that service is carried out, you may then make a complaint

2.2 A complaint may arise where we have not provided a service to the standard and quality expected by the service user. For example, this would include:

- a lack of response;
- general quality of service provided; delays in dealing with matters;
- on-going or persistent service problems;
- poor customer care, or conduct of staff members;
- where the resident has suffered additional costs; or
- inconvenience due to a mistake or failure to act by the Council.

**3.0 Who can complain?**

3.1 Any resident of Stroud District, or their representative who has been given appropriate consent by the resident, may make a complaint. To ensure that we get to know about the problem as soon as possible, we strongly encourage complainants to submit complaints online at [complain@stroud.gov.uk](mailto:complain@stroud.gov.uk)



3.2 However, complaints can also be made by other methods such as:

meeting face to face with Council staff;  
completing the form:

[www.stroud.gov.uk/complaintsform](http://www.stroud.gov.uk/complaintsform)

writing to us at the following address:

Complaints  
Stroud District Council  
Ebley Mill, Ebley Wharf  
Stroud  
GL5 4UB

#### **4.0 Confidentiality**

4.1 All complaints received will be dealt with confidentially and in accordance with the requirements of the GDPR and Data Protection law. It is important for you to appreciate that we must reserve the right to discuss complaints with relevant members of staff and / or relevant third parties. In relation to complaints regarding housing, we will share the details of the complaint with a Designated Person if necessary. However, information will only be shared to assist with the processing of complaints, not for any other reason.

#### **5.0 Anonymous complaints**

5.1 Anonymous complaints are unlikely to be effectively dealt with as we need to correspond with and, in some cases, meet with someone who makes a complaint in order to address their concerns. These complaints will still be recorded and investigated by the relevant services involved so far as possible in order to identify possible areas for service improvement.

#### **6.0 Service standard**

6.1 We would like to resolve complaints as quickly and efficiently as possible and will aim to acknowledge complaints within 3 working days of receipt. If you email a complaint to us at [complain@stroud.gov.uk](mailto:complain@stroud.gov.uk) you will receive an automated acknowledgement. We will aim to provide a full response to the complaint within 10 working days. If we need a bit longer, we will let you know the reasons and work with you to agree the timescales where we can. We will do our best to try to give you an idea how long the investigation will take to conclude.

6.2 We must make you aware that there are no set timescales for dealing with service requests which can take longer to resolve due to operational reasons.

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**7.0 Assistance in making complaints**

7.1 We recognise that some residents may need support to make their complaint or would like someone to act on their behalf. We will ensure we address any additional requirements e.g. Braille, large print copies, minicom facilities, physical access to buildings and an interpretation service if appropriate.

7.2 We may arrange to undertake a home visit where you have difficulty in attending at our offices to discuss your complaint.

7.3 Depending on the issue, we may also suggest that you speak to:

- Your local councillor or MP;
- A solicitors to seek independent legal advice;
- Citizens Advice Stroud

**7.4 Complaints Policy - Member involvement guidance**

Members are sometimes asked to intervene when a member of the public/or tenant is dissatisfied with the way the Council is serving them. This often doesn't mean the member of public/tenant has filed or will file a complaint. The member can be helpful in trying to resolve problems informally. However, it is very important to remember that there are often two sides and a history behind most disagreements, so it is important for the member to hear the Council officers side as well. Sometimes information released by officers may be constrained by the needs of officers to maintain confidentiality, and the member of public/tenant may need to give officers permission to release information. In general the member role should be limited to ensuring the Council delivers existing policy effectively in relation to the service requested.

If a ward resident decides to make a complaint, complainants can ask their Ward Councillors to support them with their complaints either by way of signposting or acting as an advocate on their behalf. If the Ward Councillor is going to be directly assisting a complainant, the council's complaint handling officers should be informed as soon as possible and, where necessary may need to obtain written consent from the complainant authorising the Council to provide personal data to the Ward Councillor

Ward Councillors can assist the complainant by helping them to differentiate service requests from complaints and also to help them to try to resolve the problem at a local level if possible. If Ward Councillors are helping with the submission of a complaint, this should be done using the process set out in this policy.

Ward Councillors may also signpost the complainant to useful information and organisations, even if the complaint will not be dealt with by the council. They may also facilitate communication, meetings and enquiries within the council on the complainant's behalf. The role may also include ensuring reasonable adjustments are made, if necessary, follow the complaint through to its resolution and keep in touch with the complainant and raise any service improvement issues that are identified.

For the benefit of the public, it is important to recognise that Councillors are not able to make promises they cannot keep, guarantee a particular outcome for the complainant or attempt to influence the complaints procedure.

Councillors should not make the assumption that stages of the complaints procedure can be omitted because of their involvement, nor give legal advice and make decisions for the complainant.

## **8.0 Timescale for making a complaint?**

8.1 It is always better to try and resolve issues as soon as possible when everything is fresh in your mind, but we recognise that this isn't always possible. You should make a complaint as soon as you can and certainly within 12 months of when you first became aware of the matter.

8.2 We will be unlikely to be able to investigate if you tell us about a particular matter after 12 months has elapsed. However, there may be instances where exceptions may need to be made and these will be considered by the relevant Head of Service.

## **9.0 Corporate complaints process**

9.1 To make things as straightforward as possible for residents, we have one corporate complaints process and procedure. The process is normally two stage, but if your complaint is related to housing, there is an additional step in the process which we will tell you about below.

9.2 We have prepared flowcharts to help you which can be accessed here:

[Stage 1](#)

[Stage 2](#)

9.3 The complaints process

If we can, we will try to sort things out straight away. Depending on the nature of the issue, we may be able to resolve things with a simple telephone call; other complaints may be a bit more detailed.

9.4 Stage 1 – investigation by the service – informal resolution

a) Each service within the Council will identify suitably qualified officers who are responsible for investigating and responding to complaints in accordance with guidance provided.

b) Once a complaint is received, we aim to acknowledge it within 3 working days starting with the day after the complaint is received by us, tell you the

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name of the person who is dealing with it and record it on the central complaints management system.

- c) The appropriate investigating officer should keep you updated throughout the investigation process where applicable.
- d) You can expect a full response to your complaint within 10 working days. If this is not possible, we will keep you informed of progress and let you know how long we think the investigation will take to conclude.
- e) You will receive a full response to your complaint in writing by email or letter as appropriate.
- f) Any further action or lessons learnt will be followed through and monitored as part of the service's performance management arrangements.
- g) In the response letter, you will be made aware that you can escalate the matter to the next stage of the complaints process if you remain dissatisfied.

9.5 Stage 2 – formal investigation

You can ask for your complaint to be dealt with under Stage 2 in the following circumstances:

- i. Where a service department has had adequate opportunity to address your complaint, but has not provided you with a response within the timescale set out in paragraph 9.4(d) or any longer period agreed with you.
- ii. If you do not consider that your complaint has received adequate or proper consideration or you have received a response and you remain dissatisfied.

9.6 We can immediately escalate the complaint to Stage 2 if it is obvious that there is no prospect of informal resolution.

9.7 If you would like to take your complaint to Stage 2, you will need to tell us why you remain dissatisfied and give us reasons why you believe that the issues were not addressed at Stage 1. You will also need to tell us what you would like as an outcome from the complaint.

9.8 At this stage, the Complaints Manager, who is independent of the service concerned, will deal with the complaint, jointly with a Senior Officer from the relevant service. The process is as follows:

- a) The Complaints Manager will acknowledge your complaint within 3 working days, and record details of the complaint on the case management system.

- b) If necessary, we will contact you to clarify and agree the issues you would like to be investigated.
- c) The Complaints Manager will then consider your complaint by way of a review; this can involve a number of methods including:
  - interviewing relevant members of staff;
  - reviewing relevant documents, policies and procedures;
  - carrying out site visits;
  - seeking specialist advice; and
  - consulting and seeking advice from Heads of Service and Strategic Directors.
- d) In most cases, we will provide a substantive response to your complaint within 10 working days, but complaints at this stage often take longer to consider and, if the response time cannot be met, we will tell you how long it will take to conclude.
- e) You will receive a decision letter or email, which will advise you whether or not their complaint has been upheld and letting you know whether any action will be taken in respect of the issues raised.
- f) The Stage 2 outcome letter will advise you of your rights if you remain dissatisfied.

9.9 If you are still unhappy with the outcome, you are able to take your complaint further, but your options depend on whether your complaint relates to a housing issue. We will set out below what you need to do in order to progress your complaint.

## 10.0 Non-housing cases

10.1 When you have exhausted the internal process, you are able to refer your complaint to the **Local Government & Social Care Ombudsman (LGSCO)**. The LGO prefers complaints to be referred electronically to the following address:

<https://www.lgo.org.uk/complaint-form>

Alternatively, you are able to make a complaint by telephone on 0300 061 0614

## 11.0 Housing cases

11.1 When you have exhausted the internal process, you are able to refer your complaint to the **Housing Ombudsman**, but you are not able to do this until 8 weeks have passed since you received the Stage 2 letter from us. You are able to submit a complaint online at the following address:

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<https://www.housing-ombudsman.org.uk/residents/make-a-complaint/online-form/>

Alternatively you can write to the Ombudsman at:

Housing Ombudsman Service  
PO Box 152  
Liverpool L33 7WQ

- 11.2 You are able to choose to get help from a designated person after our final response to you and within the 8 week period before making a complaint to the Housing Ombudsman. A designated person can be an MP, local councillor or a recognised tenant panel. The Housing Ombudsman has provided a fact sheet regarding designated persons which can be accessed here:

<https://www.housing-ombudsman.org.uk/useful-tools/fact-sheets/3123-2/>

- 11.3 Designated persons will try to resolve the matter locally, but if this is not possible, they are able to refer it to the Housing Ombudsman within the 8 week period. This stage is optional, you can choose to just take your complaint to the Housing Ombudsman 8 weeks from our final response.

## **12.0 Complaints dealt with under other procedures**

Some complaints are dealt with through separate procedures within the Council, which are laid down by statute. The Council may also receive complaints, which it cannot deal with. When such a complaint is received, the complainant will be informed of the relevant complaints procedure this will be addressed under, or if it needs to be redirected to a different service or outside body.

### **12.1 Staff & HR**

Any complaint about a member of staff will be dealt with under this policy. Staff members wishing to raise complaints about HR issues e.g. recruitment, harassment etc., should be referred to the appropriate line manager / Human Resources and dealt with under the relevant policy.

### **12.2 Complaints about Members**

Stroud District Council expects all Members to meet the high ethical standards set out in the Nolan Principles and our Code of Conduct. Any complaints relating to alleged breaches of the Code of Conduct should be referred to the Monitoring Officer.

### 12.3 Member / MP Enquiries

Elected Members and MPs may request information or make a complaint on behalf of a constituent. The MP or elected member should make it clear whether a complaint is being made. If a Member / MP raises a complaint, it should be dealt with under the appropriate complaints process within the normal timescale and recorded on the case management system.

### 13.0 **Equality & Diversity**

13.1 The Council is committed to giving an equal service to all residents and members of our community. We treat all residents with respect and dignity irrespective of their colour, race, nationality, ethnic group, age, marital status, disability, religious belief, sexuality, gender identity, or socio-economic status. English is the principal language we use; however, we will provide information in other formats and languages on request.

13.2 As part of the corporate complaints process, we will monitor and review equality characteristics data voluntarily submitted by complainants. We will also monitor and ensure that any equality considerations raised within complaints are handled sensitively and supportively. This is to make sure our services are reaching all residents and are appropriate to their specific needs, as part of our commitment equality, diversity and inclusion and continuous service improvement.

### 14.0 **Complaints documentation retention policy**

14.1 In the absence of any particular statutory requirements for particular documents, it is the Council's policy to retain complaints documentation for up to 24 months only from the date of the complaint being closed.

### 15.0 **Our commitment to good practice**

15.1 All staff members who deal with complaints are required to undertake complaint handling training. This ensures that they have the necessary skills to investigate complaints and helps to provide a consistent standard of service to complainants.

15.2 Good communication and managing expectations are key aspects of good customer service. When dealing with complaints, we advise complainants how their complaints will be handled, and the stages involved in the complaints process. We aim to be polite, courteous and speak to the complainant if we are unsure of the issues they would like investigated. We aim to keep complainants updated regarding the progress of the investigation and explain how long the complaint will take to resolve if there are delays in the process.

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15.3 Complaints data should be analysed on a quarterly basis and included in corporate performance reports. Trends identified will be shared with the relevant service concerned to ensure lessons are learnt and service improvements are planned.

**16.0 Complaints about our partners**



- 16.1 Complaints about our partners made directly to us will be passed to the relevant organisation to deal with via their own complaints policies. However, if the complaints relate to a service provided by a partner on the Council's behalf, these will be dealt with under the terms of this policy unless they fall within the exceptions set out in paragraph 1.3. When such complaints are received, we will work with the relevant parties to ensure the complaint is dealt with expeditiously, which may involve a joint response being provided to the complainant.

## **17.0 Learning from complaints**

- 17.1 The decision letter / email will clearly identify the issues that were investigated along with the outcome in respect of each issue. We aim to ensure that our letters and emails are clear, succinct and avoid jargon or technical language where appropriate. We will apologise where mistakes have been made and inform you of the remedial action, we have taken to try to ensure that mistakes are not repeated. We recognise that learning from complaints is a powerful way of helping to develop and improve the services we provide and to increase trust among the people who use our services. We have systems to:

record, analyse and report on the outcomes of complaints and remedies;  
apply the information to improve services to our residents.

## **18.0 Remedies**

- 18.1 If something has gone wrong and you have suffered as a result, we will consider the action to be taken. The general principle the Local Government & Social Care Ombudsman promotes is that the complainant should, so far as possible, be put in the position he or she would have been in, had things not gone wrong. The investigation should establish with the complainant what they consider to be a reasonable and fair outcome of the complaint.
- 18.2 In housing cases there is a requirement of the regulator for social housing to have a compensation policy which can be [accessed here](#)

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## Equality Analysis Form

By completing this form you will provide evidence of how your service is helping to meet Stroud District Council's General Equality duty:

The Equality Act 2010 states that:

*A public authority must, in the exercise of its functions, have **due regard** to the need to –*

*(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act 2010;*

*(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

*(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The protected characteristics are listed in Question 9

Stroud District Equality data can be found at:

<https://inform.gloucestershire.gov.uk/equality-and-diversity/>

Please see Appendix 1 for a good example of a completed EIA.

[Guidance available on the HUB](#)

### 1. Persons responsible for this assessment:

Name(s): Owen Chandler	Telephone: N/A
	E-Mail: owen.chandler@stroud.gov.uk
Service: Corporate Policy & Governance	Date of Assessment: 2023-02-06

### 2. Name of the policy, service, strategy, procedure or function:

Complaints & Feedback Policy

Is this new or an existing one?

### 3. Briefly describe its aims and objectives

- To modernise the SDC complaints policy ensuring it aligns with best practice of our key regulators the Local Government Ombudsman and Housing Ombudsman
- To ensure that the policy reflects SDC processes
- To improve the consistency of complaints management across the organisation
- Improving the experience for customers and businesses when giving feedback and the

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management of feedback for our services To improve the long-term awareness and learning from the reporting of informal complaints which do not reach the threshold of a stage 1 complaint but have an impact on Officers and Customers and Businesses

**4. Are there external considerations? (Legislation / government directive, etc)**

- This policy, as it will be used by all services of the Council, was written in consideration of any regulations required of service areas. The policy is flexible enough to provide a consistent framework across the organisation while enabling services to comply with their own legislative requirements.
- The Local Government Ombudsman acts under part III of the 1974 Act. The investigation of complaints, which it states is limited to complaints from members of the public alleging they have suffered injustice as a result of maladministration and/or service failure.
- The Housing Ombudsman Scheme is approved by the Secretary of State under section 51 of, and Schedule 2 to, the Housing Act 1996 as amended by the Localism Act 2011 and the Building Safety Act 2022 (the Act).
- Customers of the local authority may engage the Human Rights Act 1998 if they believe we have breached their rights.
- The Equality Act 2010 says public authorities must comply with the public sector equality duty. This is in addition to their duty not to discriminate against any of the 9 protected characteristics.

**5. Who is intended to benefit from it and in what way?**

All users of council services are expected to benefit, due to the simplification and clarification that this reviewed policy provides for customers and officers of the Council. The reviewed policy also reflects current SDC processes and will be an accurate reference document for complainants to assess our performance and understand their options.

**6. What outcomes are expected?**

The adoption of this new policy will improve reporting across the Council leading to greater insight into the issues which our customers are passionate about and the services they value. We also expect greater consistency of experience across the Council as all services will adopt the new policy at the same time.

**7. What evidence has been used for this assessment?: (eg Research, previous consultations, Inform (MAIDEN); Google assessments carried out by other Authorities)**

Assessment is based on historic SDC complaints data and feedback from operational staff. The new policy is in accordance with the Ombudsman's guidance, the SDC Council Plan and is based on best practice across the private and public sectors.

**8. Has any consultation been carried out? See list of possible consultees**

This is an operational document and consultation has predominantly been internal. We have consulted the EDI working group, SLT, LMT, a selection of officers and a group of SDC tenants who often engage with project work.

**9. Could a particular group be affected differently in either a negative or positive way?**

*(Negative – it could disadvantage and therefore potentially not meet the General Equality duty;*

*Positive – it could benefit and help meet the General Equality duty;*

*Neutral – neither positive nor negative impact / Not sure)*

Protected Group	Type of impact, reason and any evidence (from Q7 & 8)
<b>Age, Disability, Gender Re-assignment, Pregnancy &amp; Maternity, Race, Religion – Belief, Sex, Sexual Orientation, Marriage &amp; Civil Partnership, Rural Considerations</b>	Neutral – For all characteristics the policy will not have any direct effects. It facilitates the management of any complaints and feedback raised in relation to them but neither prejudices against or directly benefits any group, individual or entity. As with the current complaints policy, customers can self-report if feedback relates to a protected characteristic.
<b>Disability</b>	Neutral – We have ensured that we have multiple contact channels available to support accessibility requirements and have a specific support section in the policy to outline how we can accommodate individual’s needs. The service standards are available in an easy read version which highlights how to make a complaint.

**10. If you have identified a negative impact in question 9, what actions have you undertaken or do you plan to undertake to lessen or negate this impact?**

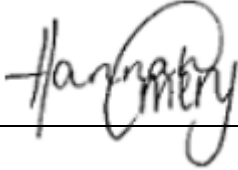
**Please transfer any actions to your Service Action plan on Excelsis.**

Action(s):	Lead officer	Resource	Timescale

**Declaration**

**I/We are satisfied that an Impact Assessment has been carried out on this policy, service, strategy, procedure or function \* (delete those which do not apply) and where a negative impact has been identified, actions have been developed to lessen or negate this impact.**

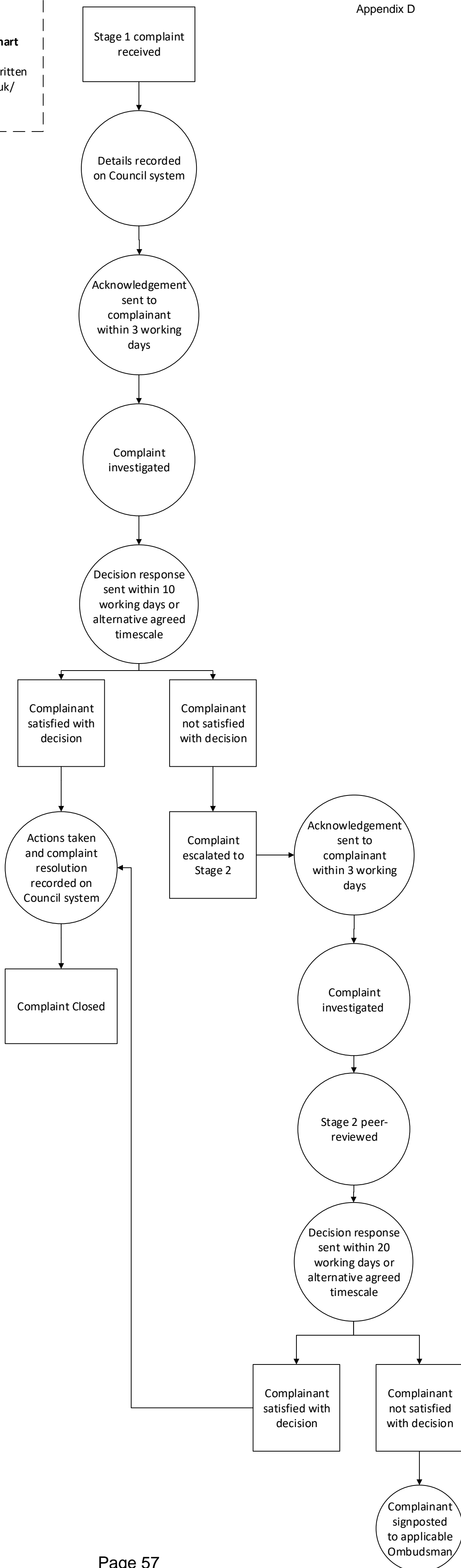
**We understand that the Equality Impact Assessment is required by the District Council and that we take responsibility for the completion and quality of this assessment**

<b>Completed by: Owen Chandler</b>	<b>Date: 2023-02-06</b>
<b>Role: Information Governance Officer</b>	
<b>Countersigned by Head of Service/Director: Hannah Emery</b>	<b>Date: 2023-03-23</b>
	

**Date for Review: Please forward an electronic copy to [eka.nowakowska@stroud.gov.uk](mailto:eka.nowakowska@stroud.gov.uk)**

**Stroud District Council  
Complaints & Feedback Policy  
Stage 1 & Stage 2 Complaints Flowchart**

For additional detail please view the written policy or get in touch at [stroud.gov.uk/contactus](http://stroud.gov.uk/contactus)



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## STROUD DISTRICT COUNCIL

### AUDIT AND STANDARDS COMMITTEE

**TUESDAY, 18 APRIL 2023**

<b>Report Title</b>	Review of the Risk Management Policy Statement & Strategy			
<b>Purpose of Report</b>	To consider the updated Risk Management Policy Statement and Strategy.			
<b>Decision(s)</b>	<p><b>The Committee RESOLVES to:</b></p> <p>(i) <b>Approve the revised Risk Management Policy Statement and Strategy.</b></p> <p>(ii) <b>Give delegated authority to the Strategic Director of Resources to make minor amendments to the Risk Management Policy Statement and Strategy as necessary.</b></p>			
<b>Consultation and Feedback</b>	Monitoring Officer Audit Risk Assurance (ARA)			
<b>Report Author</b>	Sarah Turner, Senior Policy and Governance Officer Email: sarah.turner@stroud.gov.uk			
<b>Options</b>	This is a strategic policy document which is presented to members, the last document was approved in 2017. No alternative options have been considered.			
<b>Background Papers</b>	CIPFA and LGA best practice guidance.			
<b>Appendices</b>	Appendix 1 – Risk Management Policy Statement and Strategy – 2023 - 2027			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	Yes

#### 1. BACKGROUND

- 1.1 Risk Management is the process used to identify, evaluate and manage the whole range of risks facing an organisation. It is vital to ensure the effective operation of the Council and delivery of its Council Plan.
- 1.2 A risk can be defined as the potential of something happening which may have a negative impact on the Council's ability to deliver services, projects and achieve its objectives. By being alert to this and putting in place mechanisms to manage risks effectively, the Council will be in a better position to continue to deliver services, remain viable, continue to innovate and use resources more efficiently.

- 1.3 Risk management is not necessarily about being 'risk averse', it is about being 'risk aware'. Risk is ever present and some element of risk taking is inevitable if the Council is to achieve its priorities and objectives.
- 1.4 The lack of a robust approach to the management of risks could result in ill-informed decision making and non-achievement of the Council's aims and objectives at both a strategic and service level.
- 1.5 The existing Risk Management Policy Statement and Strategy was last updated in April 2017.
- 1.6 A review the policy and strategy has been undertaken as this was due in 2020 and was one of the recommendations in the ARA review of risk management. The policy statement and strategy has been updated in line with current best practice and guidance.
- 1.7 The revised policy and strategy document is detailed at Appendix 1.

## **2. MAIN POINTS**

- 2.1 The Councils Risk Management Policy Statement and Strategy (RMPSS) sets out the approach to risk management including the roles and responsibilities for officers and members. The policy also details the processes in place to manage risks at corporate and service levels.
- 2.2 The RMPSS is supported by guidance and additional information on the staff hub in the form of a risk management toolkit, support is also provided by the Policy & Governance Team, with individuals from the team allocated as Risk Champions for each directorate. The toolkit will be updated to reflect the updated RMPSS.
- 2.3 The identification and assessment of risk is part of the Council Plan update and Service planning process, as detailed in the Council's Performance Management Framework.
- 2.4 SLT reviews strategic risks on a quarterly basis through the SLT dashboard, and LMT review operational service risks through the quarterly LMT dashboards. The newly created Corporate Governance Group will also have oversight of the risk management framework and risk registers. These activities include the development of risk mitigation actions designed to reduce the likelihood and/or consequences of adverse events occurring.
- 2.5 The Council has procured a new performance management system (PMS) called Pentana Risk, this will replace the current the current PMS Excelsis. The new PMS is a great improvement on our current PMS; some of the benefits of the new system are that it is customisable to our requirements, and it provides real-time data with the ability to drill down into the self-service dashboards, self-service reporting of the Council Plan, service plans and associated risks.
- 2.6 The current PMS cannot be accessed by Members and a significant benefit of Pentana is that it is a cloud-based system so Members will have access to data that can be customised for them, giving potential for Members to have easy access to the information.
- 2.7 Training will be provided for staff and members on the new PMS, this will also include creating, reviewing, monitoring and reporting of both strategic and operational risks. This training requirement was highlighted by LMT members in a recent survey undertaken about risks and support required for LMT and their staff in relation to risk management.

## **3. CONCLUSION**

- 3.1 The following are crucial to the continued embedding of risk management across the authority:

- The implementation of this strategy must be endorsed by the SLT, LMT and all members and staff.
- Risk management needs to be part of the annual business planning process.
- Risks should be incorporated within items for discussion as part of:
  - Strategy review
  - Budget approval meetings
  - Performance reviews
  - Project planning and review meetings
- There should be a regular update of the risk register by the managers who are accountable and responsible for their mitigation.
- Training will be provided to all staff and members as required.

#### **4. IMPLICATIONS**

##### **4.1 Financial Implications**

There are no financial implications to this decision.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: [andrew.cummings@stroud.gov.uk](mailto:andrew.cummings@stroud.gov.uk)

##### **4.2 Legal Implications**

There are no specific legal implications arising from the report and its recommendations.

More generally, have strong risk management policies and practice can reduce the legal risk of challenge against the Authority.

One Legal

Tel: 01684 272012 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

##### **4.3 Equality Implications**

There are not any specific changes to service delivery proposed within this decision.

##### **4.4 Environmental Implications**

There are no significant implications within this category.

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# Risk Management Policy Statement and Strategy

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April 2023

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Corporate Policy &  
Governance

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Stroud District Council  
Ebley Mill  
Stroud  
GL5 4UB

Email: [customer.services@stroud.gov.uk](mailto:customer.services@stroud.gov.uk)  
Website: <https://www.stroud.gov.uk/>  
Telephone: 01453 766321

Appendix 1

<b>Document Responsibility</b>		
<b>Name</b>	<b>Document title</b>	<b>Service</b>
Sarah Turner	Risk Management Policy Statement and Strategy	Policy & Governance

<b>Document Version Control</b>			
<b>Date</b>	<b>Version</b>	<b>Issued by</b>	<b>Summary of changes</b>
March 2023	1.0	Sarah Turner	First draft

<b>Policy Review</b>			
<b>Updating frequency</b>	<b>Review date</b>	<b>Person responsible</b>	<b>Service</b>
Every 4 years	March 2027	Senior Policy & Governance Officer	Policy & Governance

<b>Document Review and Approvals</b>		
<b>Name</b>	<b>Action</b>	<b>Date</b>
Audit and Standards Committee	Approved the new policy statement and strategy	

## Risk Management Policy Statement

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

The council seeks to adopt recognised best practice in the identification, evaluation and cost effective/proportional control of risks to ensure that they are managed at acceptable levels. Risk management within the council is about managing our threats and opportunities and striving to create an environment of 'no surprises'. By managing our risks effectively we will:

- be in a stronger position to deliver our business objectives.
- be in a better position to demonstrate improved services and better value for money.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally or to our service delivery.

Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development.

As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. We must ensure that the decisions we take as a council reflect a consideration of the potential implications for all our stakeholders.

The council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, are understood and proactively managed, rather than avoided.

We need to have the structures and processes in place to ensure the risks and opportunities of daily council activities are identified, assessed and addressed in a standard way. We do not shy away from risk but instead seek to proactively manage it. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges.

We are fully committed to effective risk management and see it as part of our responsibility to deliver an effective public service to the communities in the district.

## **RISK MANAGEMENT STRATEGY**

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### **1 INTRODUCTION**

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- 1.1 Whilst risks are inevitable in any environment, they can cause considerable uncertainty in the outcome of an organisation's operations. Effective management of risks is therefore essential to ensuring an organisation is able to conduct its core business and achieve its priorities. The position is no different for public authorities such as the Council.
- 1.2 As a public body, the Council also has to provide assurance in its Annual Governance Statement that its corporate governance is fit for purpose. Risk management is one of the key principles underlying that assurance and has to be specifically addressed in the Annual Governance Statement
- 1.3 This document sets out the Council's policy and general strategy to identify, evaluate, monitor and ultimately to effectively manage the Council's risks particularly those which affect its priorities and core business.

### **2 RISK MANAGEMENT OBJECTIVES**

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- 2.1 In supporting the achievement of its Policy Statement, the Council has the following key risk management objectives:
  - To ensure that the Council has a clear understanding of the risks it faces and how to effectively manage them.
  - To ensure that the importance of risk management in contributing to effective decision making is reflected in working practices.
  - To ensure that risk management is corporately owned and managed.
- 3.2 The Council applies good practice risk management principles in line with Institute of Risk Management and the International Risk Management Standard (ISO 31000 - 2018) as updated from time to time. Internal Audit provides advice and guidance to the Council on such standards. The application of the standards and principles in practice is periodically reviewed by the Audit and Standards Committee and annual action plans implemented to address any improvement areas identified.
- 3.3 Risk management is also incorporated into the Council's decision making and processes in a consistent manner. Section 4 of this document outlines the Council's approach to the assessment of risks. In setting out the roles and responsibilities for effective management, Section 5 serves to acknowledge that risk management concerns all parts of the Council.

### **3 BENEFITS OF MANAGING RISKS**

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- 3.1 Risk Management will strengthen the ability of the council to achieve its corporate objectives and enhance the value of services provided by:
  - Informing strategic and operational decision-making.
  - Increasing our chances of success and reducing our chances of failure.
  - Enhancing stakeholder value by minimising losses and maximising opportunities.
  - Increasing knowledge and understanding of exposure to risk.
  - Contributing towards social value and sustainable development.
  - Reducing unexpected and costly surprises.



- Minimising our vulnerability to fraud and corruption.
- Freeing up management time from 'fire-fighting'.
- Providing management with early warnings of problems.
- Ensuring minimal service disruption.
- Ensuring statutory compliance.
- Reducing the financial costs due to, e.g. service disruption, litigation, insurance premiums and claims, and bad investment decisions.
- Delivering creative and innovative projects.
- Protecting our reputation.

#### **4 RECORDING RISKS**

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- 4.1 The Council's Risk Register records the Council's identified risks ensures judgements on risks are informed; being based upon explicit, transparent and consistent information. The register includes strategic risks through to more routine operational delivery risks, all of which potentially have implications for the delivery of the Council's business.
- 4.2 Both strategic risks and operational service area risks are detailed on the Council's performance management system, Pentana. The risks are presented in service and directorate portals and provides real-time up to date information on the risk, the controls and the latest updates.
- 4.3 The strategic risk register will be available for Audit and Standards Committee Members to view on Pentana, via the Members Hub.
- 4.4 The Council has a 'risk management toolkit', this will be updated following the implementation of Pentana on the staff Hub which provides clear guidance to officers on how to identify and describe any risks for inclusion in the Risk Register; and importantly how to consistently assess the level of risk and the risk appetite on the specific matter (i.e., how much risk the Council is prepared to take). This is currently being updated to reflect the implementation of Pentana.
- 4.5 By understanding the Council's risk appetite within an environment where risks are clearly identified and consistently assessed, its decision makers will be in a position to know whether it is appropriate to make any decision. This is particularly important for the Council given the often-competing demands on its increasingly limited resources.
- 4.6 Whilst efforts should be made to reduce all risks to an acceptable level, in applying the framework, the Council will be able to ensure that risks which will have significant adverse consequences for delivery of the Council's priorities and / or prevent the Council undertaking its core business, are always effectively managed, monitored and where possible reduced.

#### **5 ROLES AND RESPONSIBILITIES**

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- 5.1 In order to ensure that there is effective continuous risk management, the relevant responsibilities of each part of the Council for risk management are outlined below. They are divided into two key areas, namely strategic and operational areas of responsibilities.

##### **Strategic Risk Management**

- Council**
- i. Be aware of the risk management implications of the strategic decisions it makes; and

Appendix 1

- ii. Ensure the Committee Performance Monitors promote effective oversight of the risk management activities across the Council as part of the Performance Management Framework.

**All Committees**

- i. Facilitate a risk management culture across the Council;
- ii. Be aware of the risk management implications of decisions they make;
- iii. Contribute to the Council's review of risk and be proactive in highlighting potential risks within the wider Stroud District: and
- iv. Appoint up to two Committee Performance Monitors for each committee.

**Audit and Standards Committee**

- i. Approve the Council's Risk Management Policy Statement and Strategy;
- ii. Provide independent assurance to the Council of the adequacy and effectiveness of the risk management arrangements across the Council; and
- iii. Monitor and challenge key risk controls and actions across the Council.

**Strategic Leadership Team**

- i. Lead on the continuing development of an integrated and effective risk management framework on behalf of the Council;
- ii. Advise Members of key risks and on their effective management;
- iii. Ensure that the Council complies with the Corporate Governance Requirements relating to risk management; and
- iv. Own the Council's Corporate Risk Register and ensure that content is challenged, and key risks are always included and effectively managed as part of the wider Council's Performance Management Framework.

**Operational/Service Risk Management**

**Strategic Director for their particular service areas**

- i. Ensure the Risk Register is kept up to date in respect to their service areas and in particular that all risks with strategic or otherwise of a key cross cutting nature, are included;
- ii. Ensure that effective risk mitigation measures relevant to their service areas are developed and implemented as appropriate;
- iii. Regularly challenge and review their service areas' risks;
- iv. Ensure corporate information and requirements are communicated throughout their service areas;
- v. Liaise with their Member Performance Monitors; and
- vi. Promote and share good practice across service areas.

**Heads of Service / Unit Managers**

- i. Ensure the Risk Register is kept up to date in respect to their service area including any of a cross cutting nature;
- ii. In consultation with their Strategic Director, ensure that mitigating actions are initiated and monitored for all key risks affecting their service area;

- iii. Report to Strategic Director on any perceived new and emerging risks or, where exiting risks need to be escalated and failures in existing control measures;
  - iv. Communicate relevant risk management arrangements to their team; and
  - v. Promote and share good practice across service areas.
- i. Work alongside the relevant Strategic Director to promote and support effective risk management within their directorate; and
  - ii. In respect to their allocated strategic directorate, work with Heads or Service to maintain risk awareness and encourage consistent and effective assessment and management of risks.

**Risk Champions  
(officers from the  
Policy &  
Governance Team)**

**All staff**

- i. Maintain risk awareness and raise any potential risks with their Service Manager or Head of Service / Unit Manager.

5.2 In addition, the Corporate Policy and Governance Team provide support to both areas. In particular they:

- Support the review and update of the Corporate Risk Register.
- Provide the Council with guidance on the application of the effective risk management through the Risk Management Toolkit on the staff Hub.
- Arrange training on effective risk management for relevant staff and members.
- Support the Corporate Governance group by highlighting any issues in relation to non-compliance with the risk management framework.

5.3 Internal Audit provides further support at a strategic level by:

- Providing an annual independent, objective assessment / opinion of the effectiveness of the risk management and control processes operating within the Council which feeds into the Council's Annual Governance Statement; and
- Working in consultation with the Corporate Policy and Governance Team to advise and provide guidance to the Council on risk and control with particular emphasis on key risks facing the Council.

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## STROUD DISTRICT COUNCIL

### AUDIT AND STANDARDS COMMITTEE

**18 APRIL 2023**

<b>Report Title</b>	<b>COUNTER FRAUD AND ENFORCEMENT UNIT REPORT</b>			
<b>Purpose of Report</b>	<p>To provide the Audit and Standards Committee with assurance over the counter fraud activities of the Council in relation to the work undertaken by the Counter Fraud and Enforcement Unit.</p> <p>The report also provides the Audit and Standards Committee with the updates in relation to the work streams associated with the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.</p>			
<b>Decision(s)</b>	<b>The Committee RESOLVES to Consider the report and comment as necessary.</b>			
<b>Consultation and Feedback</b>	<p>Work plans are agreed and reviewed regularly with the Strategic Director of Resources.</p> <p>Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and have been issued to the relevant Senior Officers, Management and Governance Officers for comment.</p>			
<b>Report Author</b>	<p>Emma Cathcart, Head of Service Counter Fraud and Enforcement Unit Email: <a href="mailto:Emma.Cathcart@cotswold.gov.uk">Emma.Cathcart@cotswold.gov.uk</a></p>			
<b>Options</b>	<p>The service is a specialist criminal enforcement service working with the Gloucestershire Local Authorities, West Oxfordshire District Council and a number of other public sector bodies such as social housing providers.</p>			
<b>Background Papers</b>	None.			
<b>Appendices</b>	None.			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

#### 1. INTRODUCTION / BACKGROUND

- 1.1. In administering its responsibilities the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.2. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.
- 1.3. The Audit and Standards Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.4. A summary of the work undertaken is presented to the Audit and Standards Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

## **2. MAIN POINTS**

### **2.1. Counter Fraud and Enforcement Unit Update.**

- 2.2. The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.
- 2.3. With a colleague from ARA, the CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support and the NHS. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud across the County.
- 2.4. As a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work.
- 2.5. The CFEU has been tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support), working closely with the Department for Work and Pensions in relation to Housing Benefit investigations. Between 1 April 2022 and 28 February 2023, the team have received 9 referrals, closed 8 cases and processed 26 enquiries for the Department for Work and Pensions. Increased Council Tax revenue of £2,572 has been raised.
- 2.6. A proactive drive has been completed which compared earnings declarations made for Covid Test and Trace Grants and those made for the purposes of claiming Council Tax Support. 483 payments were made under the main scheme, of the 179 which also received Council Tax Support, 18 were identified as requiring further checks. 386 payments were made under the discretionary scheme, 5 were identified as requiring further checks. More in depth investigations provided assurance that there was no fraud in this area of work and verification activities had been robust.
- 2.7. The work plan for 2023/2024 will include proactive work in relation to the Council Tax Reduction Scheme (Council Tax Support).
- 2.8. All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- 2.9. The CFEU are assisting the Revenues and Benefits Department with the review of National Fraud Initiative (NFI) matches:
- 1,143 matches have been received in relation to single person discount anomalies in relation to the 2021/2022 upload of data. These have all been reviewed and 504 accounts were identified as requiring further enquiries with the liable parties; letters have been sent.
  - The team have received 1,496 matches relating to the 2022/2023 data sets. These will be reviewed in due course.
- 2.10. The CFEU continues to support the Council in tackling tenancy fraud. The overall remit is to prevent, detect and deter abuse of public funds and social housing. Housing and tenancy

fraud remains as one of the top four areas of fraud and abuse within the public sector. This takes many forms but the two most significant areas are Right to Buy and Illegal Subletting. The CFEU will continue to work with the Council and social housing providers to tackle this effectively.

- 2.11. The Counter Fraud Officers are authorised under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014. This means they are authorised to obtain information relating to an individual from organisations such as financial institutions (banks, credit card companies), utility companies, communications providers and so on. The Act also created new offences in relation to housing fraud that can be prosecuted by Local Authorities acting on behalf of Social Landlords.
- 2.12. Between 1 April 2022 and 28 February 2023, the team have received 8 referrals and closed 11 cases.
- 2.13. As a rough guide, the Cabinet Office estimated the following savings to Social Housing Providers:
- Tenancy Fraud - £93,000 per property recovered based on average four year fraudulent tenancy – this includes temporary accommodation for genuine applicants, legal costs to recover the property, re-let cost and rent foregone during the void period between tenancies.
  - Right to Buy - £65,000 per application withdrawn based on average house prices and minimum right to buy discount.
  - Housing Waiting List Misrepresentation - £10,000 per applicant removed based on 1 year local temporary accommodation cost for genuine applicants. The National Fraud Initiative apply a more conservative estimate of £3,240 per case for future losses prevented as a result of removing an applicant from council housing waiting list.
- 2.14. More recently the Fraud Advisory Panel, Charity Commission, Tenancy Fraud Forum and others have produced a new method using a standard formula to arrive at an average national cost to the taxpayer per detected tenancy fraud of £42,000. The formula considers:
- The annual average temporary accommodation cost per family for individual Councils (£12,100) multiplied by 3 being the typical duration of for one of these frauds = £36,300;
  - Add the average investigation costs (£1,300), average legal costs (£1,000) and the average void costs (£3,140)
  - = £41,740 approximated to £42,000.
- 2.15. **Regulation of Investigatory Powers Act (RIPA) 2000 and Investigatory Powers Act (IPA) 2016 Update.**
- 2.16. The Council's policies are based on the legislative requirements of these Acts and the Codes of Practice relating to directed surveillance and the acquisition of communications data.
- 2.17. Policies were reviewed and presented to the Audit and Standards Committee in April and July 2021. The RIPA Policy reflects the new Covert Human Intelligence Sources (Criminal Conduct) Act 2021 which makes provision for those acting as covert agents to commit crime whilst undertaking their duties does not apply to the Council. There have been no subsequent amendments to either Policy.
- 2.18. The Regulation of Investigatory Powers Act and Investigatory Powers Act Policies set out the legislative framework and principles the Council will abide by to mitigate the risk of legal challenge in Court. They demonstrate the Council's consideration of necessity, proportionality and public interest when deciding on surveillance activity and requests for communication data. It also demonstrates openness and transparency for its customers.

- 2.19. The Use of the Internet and Social Media in Investigations and Enforcement Policy was presented to Audit and Standards Committee in July 2022. The roll out of this Policy and associated Procedure will be discussed at Governance Group.
- 2.20. The Council must have a Senior Responsible Officer and Authorising Officers to approve any applications for surveillance or the use of a Covert Human Intelligence Source, before the Court is approached. The Senior Responsible Officer is the Corporate Director (Monitoring Officer), Claire Hughes and the Authorising Officers are the Strategic Director of Place, Brendan Cleere and the Head of Environmental Health, Sarah Clark. The Officers have been registered with the Investigatory Powers Commissioner's Office.
- 2.21. All applications for communications data are made online via the National Anti-Fraud Network (NAFN) which acts as the single point of contact for Councils. There is a requirement for the Council to nominate a Designated Senior Officer who will confirm to NAFN that the Council is aware of any request and approves its submission. This role is undertaken by the Counter Fraud and Enforcement Unit.
- 2.22. The CFEU delivered refresher training to all enforcement staff and the Authorising Officers in 2022.
- 2.23. There have been no RIPA applications made by the Council during 2022/2023, and no applications for communications data were submitted. There has been no Non-RIPA applications made during 2022/2023.
- 2.24. The Council takes responsibility for ensuring its procedures relating to surveillance and the acquisition of communications data are continuously improved and all activity is recorded

### **3. CONCLUSION**

- 3.1 The Council were fully supportive of the original Counter Fraud Unit project and funding bid and the CFEU is now delivering financial results in this area.

### **4. IMPLICATIONS**

#### **4.1 Financial Implications**

The report details financial savings generated by the CFEU and the objectives in reducing crime and financial loss to the Local Authority.

Andrew Cummings, Strategic Director of Resources  
Email: [andrew.cummings@stroud.gov.uk](mailto:andrew.cummings@stroud.gov.uk)

#### **4.2 Legal Implications**

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

The Council is required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. It should also consider government guidance in this area.

The Council has a statutory obligation for enforcing a wide range of legislation, where it is necessary and proportionate to do so. Human rights implications are a consideration of this type of activity and this is included within the Policy.



Any requests for directed/covert surveillance or the acquisition of communications data to be undertaken should be necessary and proportionate, and authorised by the appropriate Officer. Both Policies provide information and advice to those seeking authorisation and those officers granting authorisation. Both policies confirm the process to be used and matters to be considered.

One Legal

Tel: 01684 272012 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

#### **4.3 Equality Implications**

The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

The application of these Policies, to govern surveillance and the obtaining of personal communications data, ensures that there is less risk that an individual's human rights will be breached. Furthermore it protects the Council from allegations of the same.

#### **4.4 Environmental Implications**

There are no significant implications within this category.

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**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**

**18 APRIL 2023**

<b>Report Title</b>	<b>3RD QUARTER TREASURY MANAGEMENT ACTIVITY REPORT 2022/23</b>			
<b>Purpose of Report</b>	To provide an update on treasury management activity as at 31/12/2022.			
<b>Decision(s)</b>	<b>The Audit and Standards Committee ACCEPTS the treasury management activity third quarter report for 2022/2023.</b>			
<b>Consultation and Feedback</b>	Link Asset Services (LAS).			
<b>Report Author</b>	Maxine Bell, Snr Accounting Officer Tel: 01453 754134 E-mail: maxine.bell@stroud.gov.uk			
<b>Options</b>	None			
<b>Background Papers</b>	None			
<b>Appendices</b>	A – Prudential Indicators as of 31 December 2022 B – Explanation of prudential indicators			
<b>Implications (Further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	No	No	No

### Background

- Treasury management is defined as: ‘The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’
- This report is presented to the Audit and Standards Committee to provide an overview of the investment activity and performance for the third quarter of the financial year, and to report on prudential indicators and compliance with treasury limits.

### Discussion

- The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the latest Code in December 2021, originally adopted by this Council on 21 January 2010. This third quarter report has been prepared in compliance with CIPFA’s Code of Practice, and covers the following:
  - A review of the Treasury Management Strategy Statement (TMSS) and Investment Strategy
  - A review of the Council’s investment portfolio for 2022/23
  - A review of the Council’s borrowing strategy for 2022/23
  - A review of compliance with Treasury and Prudential Limits for 2022/23.
  - Other Treasury Issues

## **Treasury Management Strategy Statement and Investment Strategy update**

4. The TMSS for 2022/23 was approved by Council on 17th February 2022. The Council's Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
  1. Security of Capital
  2. Liquidity
  3. Yield
5. In 2022-23 the Council will continue to invest for the longest permitted duration with quality counterparties to maximise return without compromising security, or liquidity. In particular instances the Section 151 Officer will authorise investments in the LAS blue category for a period of up to two years, which is currently longer than the LAS recommended duration of one year. Otherwise, the length of investments permitted will vary, if necessary, in line with LAS advice subject to the Council's 3-year upper limit.
6. A breakdown of the Council's investment portfolio as of 31 December 2022 is shown in Table 3 of this report.
7. Current advice from Link is to invest for no more than a year with UK banks, or up to a maximum of five years with government or local government provided they are sufficiently highly-rated on Link's weekly list.

### **Investment Portfolio 2022/23**

8. In accordance with the Code, it is the Council's priority to ensure security and liquidity of investments, and once satisfied with security and liquidity, to obtain a good level of return. The investment portfolio yield for the third quarter is shown in Table 1 below.
9. LIBID/LIBOR benchmarks have been subject to a review convened by the Bank of England and as part of that process they were withdrawn at the end of 2021. As set out in the Council's 2022-23 Strategy specified investments, from 2022-23 financial year, are to be benchmarked against the SONIA (Sterling Overnight Index Average) compounded 7-day and 3-month rates, see Table 4. The Council's multi-assets will be benchmarked against the 0 – 35% shares index see Table 5, and the UK other balance open-ended property fund index for the property funds see Table 6.

**TABLE 1: Average Interest Rate**

	Period	Investment Interest Earned £	Average Investment £m	Rate of Return
<b>Internally Managed Specified Property Fund / Multi-Asset Fund</b>	01/04/2022 - 30/06/2022	111,045	56.503	0.788%
		74,900	10.000	3.004%
		<b>185,945</b>	<b>66.503</b>	<b>1.121%</b>
<b>Internally Managed Specified Property Fund / Multi-Asset Fund</b>	01/07/2022 - 30/09/2022	243,109	61.142	1.552%
		70,730	10.000	2.90%
		<b>313,839</b>	<b>71.142</b>	<b>1.750%</b>
<b>Internally Managed Specified Property Fund / Multi-Asset Fund</b>	01/10/2022 - 31/12/2022	406,304	61.095	2.656%
		74,282	10.000	2.92%
		<b>480,586</b>	<b>71.095</b>	<b>2.682%</b>
<b>YTD TOTAL</b>	01/04/2022 - 31/12/2022	<b>980,370</b>	<b>69.593</b>	<b>1.87%</b>

**TABLE 2: Funds Performance – Quarter 3 2022-23**

Fund	Initial Investment £m	Value as at 30/06/22 £m	Return Apr - Jun 2022	Value as at 30/09/22 £m	Return Apr - Sep 2022	Value as at 31/12/22 £m	Return Apr - Dec 2022
Lothbury	4.000	4.542	3.09%	4.324	1.46%	3.447	2.21%
Hermes	2.000	2.388	3.28%	2.254	1.62%	1.930	2.46%
<b>TOTAL PROPERTY FUNDS</b>	<b>6.000</b>	<b>6.930</b>	<b>3.15%</b>	<b>6.578</b>	<b>3.01%</b>	<b>5.377</b>	<b>3.04%</b>
Royal London	3.000	2.706	2.48%	2.482	1.31%	2.612	1.99%
CCLA	1.000	0.988	3.70%	0.966	1.58%	0.958	2.28%
<b>TOTAL MULTI-ASSET FUNDS</b>	<b>4.000</b>	<b>3.694</b>	<b>2.78%</b>	<b>3.448</b>	<b>2.74%</b>	<b>3.570</b>	<b>2.74%</b>
<b>TOTAL FUND INVESTMENTS</b>	<b>10.000</b>	<b>10.624</b>	<b>3.004%</b>	<b>10.026</b>	<b>2.90%</b>	<b>8.947</b>	<b>2.92%</b>

10. The approved limits as set out in the Treasury Management Strategy report to Council 17th February 2022 within the Annual Investment Strategy were not breached during the first 9 months of 2022/23, except for Barclays which breached the limit through the re-investment of interest and has now been resolved.

11. Funds were available for investment on a temporary basis. The level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The authority holds £15m core cash balances for investment purposes (i.e., funds that potentially could be invested for more than one year). The Council has invested £10m into Property and Multi-Asset Funds with the objective of longer-term investments improving the overall rate of return in future years.

12. Table 3 below shows the investments and borrowing position at the end of December 2022.

**TABLE 3: Investments & Borrowing**

	Jun 2022 £'000	Sep 2022 £'000	Dec 2022 £'000	ESG Dec 22
Aberdeen	3,045	566	3,984	
Federated Prime Rate	3,950	2,421	1,533	
Goldman Sachs	3,927	1	16	
<b>Money Market Funds Total</b>	<b>10,922</b>	<b>2,988</b>	<b>5,533</b>	<b>BBB+</b>
Lloyds	2,000	7,000	4,000	
<b>Lloyds Banking Group Total</b>	<b>2,000</b>	<b>7,000</b>	<b>4,000</b>	<b>A</b>
NatWest	3,460	5,000	3,991	<b>A</b>
Royal Bank of Scotland	3,000	0	0	
<b>RBS Banking Group Total</b>	<b>6,460</b>	<b>5,000</b>	<b>3,991</b>	
Standard Chartered	3,700	8,000	7,000	<b>A-</b>
Santander	7,999	7,999	7,999	<b>BBB+</b>
Barclays Bank Plc	7,793	7,800	7,875	<b>BB+</b>
Svenska Handelsbanken	14	14	13	<b>AA-</b>
National Bank of Canada	3,000	3,000	3,000	<b>A+</b>
Debt Management Office	4,000	3,000	0	
Toronto Dominion	5,000	5,000	5,000	<b>BBB-</b>
Bayerische Landesbank	3,000	2,000	5,000	<b>BBB+</b>
Landesbank Hessen Thuringen		2,000	6,000	<b>BBB+</b>
Progressive Building Society		1,000	1,000	<b>BBB+</b>
Goldman Sachs International		2,000	0	
Bank of Montreal			3,000	<b>A-</b>
<b>Other Banks/Building Society Total</b>	<b>34,506</b>	<b>41,813</b>	<b>45,887</b>	
Thurrock District Council	1,000	0	0	
<b>Local Authority Total</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	
<b>TOTAL INVESTMENTS</b>	<b>£54,888</b>	<b>£56,801</b>	<b>£59,411</b>	<b>A-</b>
Lothbury	4,000	4,000	4,000	
Hermes	2,000	2,000	2,000	
<b>TOTAL PROPERTY FUNDS</b>	<b>£6,000</b>	<b>£6,000</b>	<b>£6,000</b>	
RLAM	3,000	3,000	3,000	
CCLA	1,000	1,000	1,000	
<b>TOTAL MULTI ASSET FUNDS</b>	<b>£4,000</b>	<b>£4,000</b>	<b>£4,000</b>	
<b>BLENDED PORTFOLIO RATING</b>				<b>A-</b>
PWLB	102,717	102,717	102,717	
<b>TOTAL BORROWING</b>	<b>£102,717</b>	<b>£102,717</b>	<b>£102,717</b>	

**Environmental Social Governance (ESG) Ratings**

AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+
Negligible			Low			Medium			High			Severe			

13. Tables 4, 5 and 6 below show the benchmarked Quarter by Quarter Returns on Specified Investments and Funds at the end of December 2022.

**Table 4: Quarterly Benchmark - Specified Investments**

Quarter	Specified Investments % return	Benchmark 7 day SONIA Compounded	Benchmark 90 day SONIA Compounded
Q1 21/22	0.18%		
Q2 21/22	0.18%		
Q3 21/22	0.19%		
Q4 21/22	0.22%		
Q1 22/23	0.79%	0.87%	0.64%
Q2 22/23	1.55%	1.51%	1.19%
Q3 22/23	2.66%	2.70%	2.12%

**Table 5: Quarterly Benchmark - Multi-Asset Funds**

Quarter	Fund Investments % return	Capital deficit / surplus %	Return including capital %	Benchmark 0-35% Shares
Q1 21/22	2.72%		2.72%	
Q2 21/22	2.60%		2.60%	
Q3 21/22	2.51%	2.27%	4.78%	1.00%
Q4 21/22	1.89%	-6.69%	-4.80%	-3.74%
Q1 22/23	2.78%	-9.37%	-6.59%	-6.06%
Q2 22/23	2.74%	-6.15%	-3.41%	-3.69%
Q3 22/23	2.74%	3.05%	5.79%	2.27%

**Table 6: Quarterly Benchmark - Property Funds**

Quarter	Fund Investments % return	Capital deficit / surplus %	Return including capital %	Benchmark 3 mth Property Fund Index (Other)
Q1 21/22	3.00%			3.80%
Q2 21/22	3.06%			4.30%
Q3 21/22	3.85%	4.62%	8.47%	6.70%
Q4 21/22	2.71%	5.11%	7.82%	6.10%
Q1 22/23	3.15%	4.07%	7.22%	4.00%
Q2 22/23	3.01%	-5.87%	-2.86%	-3.70%
Q3 22/23	3.04%	-20.02%	-16.98%	-14.00%

### External Borrowing

14. The Council's Capital Financing Requirements (CFR) for 2022/23 is £130,644m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (External Borrowing) or from internal balances on a temporary basis (Internal Borrowing). The Council has borrowing of £102.717m as of 31 December 2022.

### Compliance with Treasury and Prudential Limits

15. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits." Council's approved Treasury and Prudential Indicators are outlined in the approved TMSS.
16. During the period to 31 December 2022 the Council has operated within treasury limits (subject to the technical breach noted in paragraph 10) and Prudential Indicators set out in the Council's TMSS and with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix A.

## 17 IMPLICATIONS

### 17.1 Financial Implications

A change in value of the long term investment funds has no impact on the revenue position of the Council until the point that the investments are redeemed and the difference realised. The Council also holds an Investment Risk Reserve of £310k, put aside as a precaution for fluctuation in value.

Lucy Clothier, Accountancy Manager  
 Email: [lucy.clothier@stroud.gov.uk](mailto:lucy.clothier@stroud.gov.uk)

### 17.2 Legal Implications

There are no significant legal implications in respect of the recommendations in this report. Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services, the ODPM Local Government Investment Guidance provides assurance that investments are, and will continue to be, within its legal powers.



One Legal,  
Tel: 01684 272012 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **17.3 Equality Implications**

There are no equality implications arising from the recommendations made in this report.

### **17.4 Environmental Implications**

There are no environmental implications arising from the recommendations made in this report.

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<b>Prudential Indicator</b>	<b>2022/23 Indicator £'000</b>	<b>Actual as at 30 June 2022 £'000</b>	<b>Actual as at 30 Sept 2022 £'000</b>	<b>Actual as at 31 Dec 2022 £'000</b>
Capital Financing Requirement (CFR)	130,644	124,036	126,534	127,246
Gross Borrowing	102,717	102,717	102,717	102,717
Authorised Limit for external debt	147,000	102,717	102,717	102,717
Operational Boundary for external debt	142,000	102,717	102,717	102,717
Principal sums invested > 365 days	15,000	10,000	10,000	10,000
<b>Maturity structure of borrowing limits</b>				
Under 12 months	25%	2%	2%	2%
12 months to 2 years	50%	0%	0%	0%
2 years to 5 years	75%	0%	0%	0%
5 years to 10 years	100%	6%	6%	6%
10 years and above	100%	92%	92%	92%

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### **Explanation of prudential indicators**

Central Government control of borrowing was ended and replaced with Prudential borrowing by the Local Government Act 2003. Prudential borrowing permitted local government organisations to borrow to fund capital spending plans provided they could demonstrate their affordability. Prudential indicators are the means to demonstrate affordability.

**Gross borrowing** – compares estimated gross borrowing in February 2022 strategy with actual gross borrowing as at 31 December 2022.

**Capital financing requirement (CFR)** – the capital financing requirement shows the underlying need of the Council to borrow for capital purposes as determined from the balance sheet. The overall positive CFR of £127.246m provides the Council with the opportunity to borrow if appropriate. £4.261m of borrowing is planned for 2022/23 arising from the approved capital programme, together with £1.041m minimum and voluntary revenue provisions for the repayment of debt.

**Authorised limit for external debt** - this is the maximum limit for gross external indebtedness. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. This limit is set to allow sufficient headroom for day to day operational management of cashflows. This limit has not been breached in the period 1 April 2022 to 31 December 2022.

**Operational boundary for external debt** – this is set as the more likely amount that may be required for day to day cashflow. This limit has not been breached in the period 1 April 2022 to 31st December 2022.

**Upper limit for fixed and variable interest rate exposure** – these limits allow the Council flexibility in its investment and borrowing options. Current investments are either fixed rate term investments or on call. Borrowing is at a fixed rate.

**Upper limit for total principal sums invested for over 365 days** – the amount it is considered can prudently be invested for a period in excess of a year. Current policy only permits lending beyond 1 year with other Local Authorities up to a maximum of 3 years. Property fund investments are subject to a 25 year maximum, and other investment funds up to 10 years as set out in Table 13 of the latest Treasury Management Strategy.

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**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**

**TUESDAY, 18 APRIL 2023**

<b>Report Title</b>	<b>DRAFT INTERNAL AUDIT PLAN 2023-24</b>			
<b>Purpose of Report</b>	To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2023-24, as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.			
<b>Decision(s)</b>	<b>The Committee RESOLVES to:</b> <b>a) Note that the Draft Internal Audit Plan 2023-24 reflects the current risk profile of the Council; and</b> <b>b) Agree the Draft Internal Audit Plan 2023-24 as detailed in Appendix A.</b>			
<b>Consultation and Feedback</b>	Officers (Strategic Leadership Team, Heads of Service and Service Managers) and Members have been consulted on the draft Annual Risk Based Internal Plan 2023-24. Alongside Internal Audit's own assessment of risk, the consultation process is applied to ensure effective plan development in order to establish priorities and assurance requirements. The timing of audit work has been planned in conjunction with the appropriate managers to minimise abortive work and time.			
<b>Report Author</b>	Piyush Fatania Head of Audit Risk Assurance (ARA) Tel: 01452 328883 Email: <a href="mailto:piyush.fatania@gloucestershire.gov.uk">piyush.fatania@gloucestershire.gov.uk</a>			
<b>Options</b>	No other options have been considered as a Risk Based Internal Audit Plan is required by the PSIAS.			
<b>Background Papers</b>	N/A – links to legislation are in the body of the report.			
<b>Appendices</b>	Appendix A – Draft Internal Audit Plan 2023-24			
<b>Implications (details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	No	No	No

## 1.0 INTRODUCTION/BACKGROUND

- 1.1 All Councils must make proper provision for Internal Audit in line with the Accounts and Audit Regulations 2015 (the Regulations). The Regulations provide that a relevant Council 'must undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Completion of annual Internal Audit activity based on the risk profile of the Council also supports the Section 151 Officer's duty to ensure the proper administration of the Council's financial affairs.
- 1.2 The guidance accompanying the Regulations recognise the PSIAS 2017 (the Standards) as representing 'proper Internal Audit practices'. The Standards define

the way in which the Internal Audit service should be established and undertake its operations. These Standards require the Head of ARA to produce an Annual Risk Based Internal Audit Plan to determine the priorities of Internal Audit activity.

- 1.3 The proposed activity should be consistent with the Council's priorities and objectives. It should take into account the risk management framework, risk appetite levels set by management and Internal Audit's own judgement of risks.
- 1.4 To ensure Internal Audit resources continue to be focussed accordingly, it is essential that we understand the Council's needs. This requires building relationships with key stakeholders, including other assurance and challenge providers, to gain crucial insight and ongoing understanding of the strategic and operational change agendas within the Council.
- 1.5 This insight is not only identified at the initial development stages of the Risk Based Internal Audit Plan. Dialogue continues throughout the financial year(s) and increases the ability for the Internal Audit service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. Our Plan is therefore dynamic and flexible to meet these needs.

## **2.0 MAIN POINTS**

- 2.1 To ensure that an effective Plan is developed and alongside Internal Audit's own assessment of risk, a consultation process took place with SLT, Heads of Service and Service Managers to establish priorities and assurance requirements. Audit and Standards Committee and wider Member audit requests were also considered as part of the consultation approach. The proposed activity from all sources was collated and matched against Internal Audit's resource availability and prioritised accordingly.
- 2.2 The Plan is stated in terms of estimated days input to the Council of 463 audit days, which is comparable to prior year. By continuing to apply risk based Internal Audit planning principles, this level of input is considered acceptable to provide the Internal Audit assurance requirements of the Council.
- 2.3 The Head of ARA will continue to reassess Internal Audit resource requirements against the Council's priorities and risks. As a result of this review process, the Plan will be amended throughout the year as required.
- 2.4 Any key changes to the Plan will be reported to the Audit and Standards Committee.

## **3.0 CONCLUSION**

- 3.1 The PSIAS require the Head of ARA to produce an Annual Risk Based Internal Audit Plan and for this Plan to be agreed by the appropriate body, which for Stroud District Council is the Audit and Standards Committee. This Audit and Standards Committee report meets the PSIAS requirement.
- 3.2 Regular reports on progress against the agreed Internal Audit Plan 2023-24 will be presented to the Audit and Standards Committee. These will be captured within the Audit and Standards Committee work programme for 2023-24.



## **4.0 IMPLICATIONS**

### **4.1 Financial Implications**

There are no financial implications arising directly from this report.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: [andrew.cummings@stroud.gov.uk](mailto:andrew.cummings@stroud.gov.uk)

Risk Assessment:

Failure to deliver effective governance will negatively impact on the achievement of the Council's objectives and priorities.

### **4.2 Legal Implications**

There are no specific legal implications beyond those mentioned in the report.

Contact: One Legal

Tel: 01684 272691 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **4.3 Equality Implications**

There are no equality implications arising from the recommendations made in this report.

### **4.4 Environmental Implications**

There are no environmental implications arising from the recommendations made within this report.

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## AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2023/24

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
<b>Quarter 1 2023/24</b>						
1	1	Communities	Out of Hours Emergencies - Limited Assurance Follow-Up	High	To review the operating effectiveness of the control environment post implementation of the agreed management actions to address the recommendations emanating from the 2021/22 Internal Audit review.	CCR4 CCR99
2	1	Communities	Section 20 Leaseholder Service Charges	High	To review the effectiveness of the Council's arrangements for managing Section 20 Leaseholder Service Charges.	CCR1
3	1	Communities	Social Housing Decarbonisation Fund Wave 1	High	To review the effectiveness of the governance arrangements to ensure compliance with the terms and conditions of the grant.	CCR1
4	1	Resources	Corporate Asset Management Strategy	High	To review the adequacy and operating effectiveness of the arrangements for management of the Council's property portfolio.	CCR1
5	1	Resources	ICT-Liberty Create	High	To review the adequacy and operating effectiveness of the Council's Liberty Create development platform.	CCR99
<b>Quarter 2 2023/24</b>						
6	2	Resources	ICT Back Up Process	High	To review the adequacy and operating effectiveness of the Council's ICT back up arrangements.	CCR95
7	2	Resources	Payroll Administration	High	To review the adequacy and effectiveness of the systems and processes following implementation of the new Human Resource and Payroll system.	CCR1

## AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2023/24

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
8	2	Communities	Damp and Mould-Housing Stock	High	To review the adequacy of the Council's arrangements for the management of damp and mould within their housing stock.	CCR1
9	2	Communities	Housing Management System-Project Management	High	To review the effectiveness of the project management arrangements for implementation of the new housing management system.	CCR1
10	2	Resources	Phase 3b Decarbonisation Scheme	High	To review the adequacy of the Council's arrangements for compliance with the terms and conditions of the funding agreement.	CCR1
11	2	Communities	Homelessness Prevention	High	To review whether the Council has appropriate arrangements for the prevention of homelessness to ensure compliance with legislation and regulation.	HA 3,4,7
12	2	Place	Developer Contributions	High	To assess whether the Council has a robust control environment for the administration, management, and monitoring of developer contributions.	CCR20
13	2	Communities	Changing Places Fund Grant Determination	Medium	To review compliance with the terms and conditions of the grant funding arrangements to enable certification.	CCR1
<b>Quarter 3 2023/24</b>						
14	3	Resources	Risk Management Follow-Up	High	To review whether the management actions to address the recommendations emanating from the 2021/22 Internal Audit review have been implemented in full.	CCR1,2,4,8, 9,10,18,20, 92,93,95,96, 97,98,99

Appendix A

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## AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2023/24

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
15	3	Communities	Damp and Mould Private Sector	High	To review the adequacy of the Council's arrangements for the management of damp and mould within the private sector.	CCR1 CCR92
16	3	Resources	ICT Asset Management	High	To review the adequacy and operating effectiveness of the arrangements for management of the Council's ICT assets.	CCR95
17	3	Resources	Cash and Bank	High	To review the cash and bank reconciliation and monitoring arrangements to confirm the Council's financial transactions have been correctly and fully accounted for in its financial accounting system.	CCR1
18	3	Resources	Brimcombe Port Management Accounts	Medium	To verify the accuracy of the management accounts to enable certification sign-off, to conform with the funding agreement.	CCR1
<b>Quarter 4 2023/24</b>						
19	4	Communities	HRA Delivery Plan	High	This review will seek to determine whether the Council's HRA Delivery Plan is being periodically reviewed and refreshed. And, agreed actions are being actively progressed in line with the stated target delivery dates.	CCR1
20	4	Communities	Business Continuity	High	To review the adequacy of the Council's Business Continuity Management arrangements in the event of a cyber-attack.	CCR99
21	4	Resources	ICT DR and Cyber Incident Response	High	To review whether the agreed management actions to address the recommendations emanating from	CCR4

## AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2023/24

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
			Arrangements LAFU		the previous Internal Audit review have been implemented in full.	
22	4	Resources	ICT Security Information and Event Management Process	High	To review the adequacy and operating effectiveness of the Council's Security Information and Event Management processes.	CCR95
23	4	Resources	People Strategy	High	To review the effectiveness of the Council's arrangements for people management.	CCR10
24	4	Communities	Emergency Planning	High	To review the adequacy of the Council's Emergency Planning arrangements to ensure these are in compliance with the Civil Contingencies Act 2004.	CCR4
25	4	Resources	National Non-Domestic Rates - Opening Debits	High	To provide assurance that the NNDR opening debit has been correctly calculated, and that appropriate notifications have been received advising of the NNDR multipliers and transitional relief rates; and these are reflected in the NNDR system (CIVICA Open Revenues system).	CCR1 CCR92
26	4	Resources	Council Tax-Opening Debits	High	To provide assurance that the Council Tax opening debit has been correctly calculated and reflected in the Council Tax system.	CCR1 CCR92
<b>Throughout 2023/24</b>						
27	Throughout	Resources	Grants-Contingency	High	Provision for reviews to assess the effectiveness of the governance arrangements to ensure compliance with the terms and conditions of the grant.	CCR1

Appendix A

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## AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2023/24

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
28	Throughout	Communities	Leisure Facilities- Local Authority Trading Company	High	Provision of risk and control advice as part of the future program for introducing the Local Authority Trading Company.	CCR1
29	Throughout	Resources	Post Payment Assurance i) Energy Bill Support Scheme ii) Council Tax Support Scheme	High	Support provision for ongoing validation checks on payments.	CCR1
30	Throughout	Counter Fraud	Counter Fraud		This captures Counter Fraud support; Fraud Investigation and Detection; National Fraud Initiative (NFI) activity; and Fraud Risk Management.	
31	Throughout	Support	Management, Planning and Advice		This captures a number of activity streams, including but not exclusive to: i. Audit Management and Planning; ii. Committee reporting and attendance; iii. Management meetings attendance; and iv. Provision of Internal Control or General Advice.	
32	Throughout	Support	Recommendation Monitoring		This allocation enables ARA to monitor management's progress with the implementation of Internal Audit recommendations.	

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# STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB

Telephone 01453 766321 • Facsimile 01453 750932

www.stroud.gov.uk

## AUDIT & STANDARDS COMMITTEE OFFICER REPORT

### STRATEGIC RISK REGISTER BRIEF REPORT:

#### Introduction

This paper provides summary information on the key changes which have been made to the Strategic Risk Register since the last meeting of the Audit and Standards Committee

Procedures have recently been updated to include consideration of the Strategic Risk Register at the Corporate Governance Group. This took place at the first meeting on 30/3.

#### Risks which have reviewed

**Risks CCR1** has been reviewed after the recent budget setting process. There is no change in the scoring.

**Risk CCR2** has been reviewed for the current status of control actions after the discussion at the last Audit and Standards meeting. The lead officer has updated the RAG status of all controls. The overall score has remained as an 8.

**Risk CCR10**, has been rescored to a 4 to reflect a lower likelihood. The Council has recently recruited a resourcing partner who will be undertaking a number of initiatives to improve the approach to recruitment. Also, the recent staff survey indicates a high level of staff commitment to working towards the goals of SDC.

**Risk CCR18** has been reviewed with no changes arising.

**Risk CCR93** has been rescored to a 4 to reflect the positive findings coming out of the recent staff survey. Actions arising from staff survey results will function as additional preventative and mitigative controls against this risk.

**Risk CCR95** has been reviewed in the light of investments within this area. There has been no change to overall scoring.

**Risk CCR97** has been reviewed with no change to scoring. Over the next few months the outcome of the Missing Mile Planning Application and the National Lottery Permission to Start process will be known and the risk score will likely be updated at that point.

**Risk CCR98** has been reviewed with no change in scoring. More detail has been included within controls to show how performance is reported.



# STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB  
Telephone 01453 766321 • Facsimile 01453 750932  
www.stroud.gov.uk

## AUDIT & STANDARDS COMMITTEE OFFICER REPORT

Newly added risks

**None**

Deleted Risks

**None**

**REPORT SUBMITTED BY**

Andrew Cummings

**DATE**

31/03/2023

# Risk Register

Report Level: Cross Cutting Risks

Risk Code	Risk	Lead Officer	Probability	Severity	Score	Controls with RAG Status & Control Owner	Risk Target	Date For Review	
CCR1	Failure to develop a balanced budget managing Council Priorities within available funding	Andrew Cummings	2	3	6	1. Develop a series of savings proposals and income generation opportunities to meet the targets in the MTFP	6	30/09/2023	
						Andrew Cummings			
						2. Continue to explore the development of appropriate partnerships and efficient joint ventures			Kathy O'Leary
						3. Potential to increase income through measures such as: Council Tax and fees and charges			Andrew Cummings
						4. Establish and implement a public consultation strategy			Andrew Cummings
						5. Ensure Treasury Management and Capital Strategies are aligned with targets in the MTFP			Andrew Cummings
6. Use budget monitoring to ensure that budgetary control is maintained and income targets are monitored	Andrew Cummings								
CCR2	Information Governance Compliance - The loss of control of data processed by the council	Owen Chandler	2	4	8	Develop consistent Data Sharing practices and agreements	4	24/05/2023	
						Owen Chandler			
						Develop Information Governance Champions			Owen Chandler
						Improved insight of iGov function through improved reporting and recording of service usage, trends and feedback.			Owen Chandler
						Improved retention policy compliance			Owen Chandler
						Improved use of automation in council retention			Owen Chandler
Up to date and accessible Training & Guidance	Owen Chandler								
CCR4	Emergency planning	Keith Gerrard	3	3	9	1. Council to identify priorities, and required resources, as part of the MTFP process	3	01/05/2023	
						Andrew Cummings			
						2. Ensure ICT hardware and software maintained at appropriate levels			Sean Ditchburn
						3. Individual service continuity plans fit for purpose and adhered to			Keith Gerrard
						4. Workforce plan to secure expertise to avoid service failures			Lucy Powell
5. Ensure data backup system fit for purpose	Adrian Blick								

					6.	Adequate resources on hand to respond to emergencies - To include Strategic, Tactical and Operational Response	Andrew Cummings		
					7.	Communication strategy to keep stakeholders informed of service availability	Sean Ditchburn		
CCR8	The Council is required to increase its contributions to the Gloucestershire Pension Fund above the MTFP provision.	Andrew Cummings	1	2	2	1. Ensure service redesigns or other staffing changes takes account of financial impact of changed staffing levels on pension fund contributions	Andrew Cummings	2	30/11/2023
					2	2. Ensure MTFP accurately reflects contribution likely to be required based upon current funding levels and future projections	Andrew Cummings		
					2	3. Ensure Treasury Management decisions take account of investment benefits potentially available from ad hoc payments to pension fund	Andrew Cummings		
CCR9	Statutory changes to waste legislation could mandate waste collection alterations.	Mike Towson	3	2	6	1. Monitor and manage new garden waste customer requests to maximise revenue from the service.	Mike Towson	2	24/04/2023
					6	2. Effective management of UBICO contract.	Mike Towson		
					6	3. Maximise effective use of existing resources.	Mike Towson		
					6	4. Keeping up to date with emerging legislative changes and good practice.	Mike Towson		
CCR10	Difficulty in recruiting and retaining staff with the right skills, values and behaviours	Lucy Powell	2	2	4	1. Adopt policies which promote staff development and retention, in line with the SDC people Strategy	Lucy Powell	2	30/09/2023
					4	2. Adoption and implementation of efficient and professional recruitment policies and practices	Lucy Powell		
					4	3. Purchase and implement HR software with effective recruitment modules	Lucy Powell		
					4	4. Where appropriate developing partnership arrangements with other public sector partners to share risk and build capacity	Lucy Powell		
					4	5. Transfer risk through outsourcing if appropriate	Lucy Powell		
					4	6. Review benefit package for staff, including financial and non-financial rewards measure	Andrew Cummings		
CCR18	The loss of income from recycling/incentive credits and the potential for increased costs of recycle processing.	Mike Towson	2	3	6	Effective management of the UBICO contract	Mike Towson	3	30/06/2023
					6	Keeping up to date with emerging legislative changes and good practice.	Mike Towson		
					6	MRF Contract - the value of recylates collected by the Council are determined by industry benchmarks, this may have an impact of the	Mike Towson		

						amount received (income) or the costs incurred of disposal				
						To keep lines of communication open with the County Council to maximise the lead in time for any changes to payment received		Mike Towson		
CCR20	Government white paper on levelling up results in changes to local government structure or funding	Kathy O'Leary	4	2	8	Active engagement with Gloucestershire County Council as they work towards their proposal for a County Deal		Kathy O'Leary	3	24/07/2023
						Assess impact of White Paper and work with neighbouring authorities		Kathy O'Leary		
						Medium Term Financial Planning process to include financial implications of levelling as they become known		Andrew Cummings		
CCR92	High levels of inflation impacting upon Council budgets and Service Delivery	Andrew Cummings	4	3	12	Capital Budgets must include sufficient contingency to allow for inflation and this should be incorporated within the Budget Strategy.		Andrew Cummings	4	30/09/2023
						Effective procurement of energy contracts		Alison Fisk		
						HR Policies and Advertising should include details of the wider benefits of working for SDC		Lucy Powell		
						Proactive measures to reduce energy consumption		Alison Fisk		
						The Budget Strategy and Medium Term Financial Plan should include a medium term analysis of the level of inflation. This will incorporate wage inflation, contract inflation and inflation within the capital programme.		Andrew Cummings		
						Appropriate levels of increase on fees and charges as well as rents and Council Tax (within statutory limits) must also be incorporated.				
CCR93	Low of levels of staff wellbeing and mental health	Andrew Cummings	2	2	4	A comprehensive set of employee support tools which are also open to elected members. This is to include mental health first aiders and counselling services.		Lucy Powell	1	30/09/2023
						Absence monitoring is used to track levels of mental health absences and corrective action taken where appropriate		Lucy Powell		
						An annual staff survey, supplemented by more regular wellbeing surveys, is used to understand the current priorities for staff and respond accordingly.		Lucy Powell		
						Creation and promotion of a set of Corporate Values and Behaviours to reflect the culture that we desire at SDC		Lucy Powell		

						<p>Introduction of wellbeing champions to engage with staff across the Council to talk openly about wellbeing and working with HR, SLT and LMT to share thoughts and recommendations on staff wellbeing</p> <p>Maintaining our workplace wellbeing award from Healthy Lifestyles Gloucestershire</p> <p>Member development group to consider development need of Councillors</p>	<p>Lucy Powell</p> <p>Lucy Powell</p> <p>Jenna Malpass</p>		
CCR95	Successful cyber attack on the Council	Adrian Blick	3	3	9	<p>1. Education of SDC network users</p> <p>2. Protecting SDC from penetration</p> <p>3. Reducing the extent of lateral movement across the SDC IT estate should a hack occur</p> <p>4. Purchase cyber insurance to partially cover costs of any successful cyber breach</p>	<p>Adrian Blick</p> <p>Adrian Blick</p> <p>Adrian Blick</p> <p>Adrian Blick</p>	4	30/06/2023
CCR97	Failure to deliver the canal project on time and/or to budget	Chris Mitford-Slade	2	2	4	<p>Agreeing extensions of time for project completion with NLHF and project partners as required, in light of delays caused by Covid-19, cost inflation and other external factors outside local control.</p> <p>All project partners and NLHF kept closely informed and ready to act in the event that any of the identified triggers materialise</p> <p>Close monitoring at Project Team and Board level of all expenditure and forecast costs to completion</p> <p>Continued effort to secure required consents and land (or options to secure land).</p> <p>Seeking additional funding from partners and through NLHF and fund-raising, for any identified funding gaps</p>	<p>Chris Mitford-Slade</p> <p>Chris Mitford-Slade</p> <p>Chris Mitford-Slade</p> <p>Chris Mitford-Slade</p> <p>Chris Mitford-Slade</p>	2	30/09/2023
CCR98	Failure of SDC to play its full part in delivering the ambitions set out in the 2030 strategy, to tackle the climate and ecological emergency and to do all in our power to become a carbon neutral district by 2030	Rachel Brain	1	3	3	<p>Effective community and partnership governance in place to drive 2030 strategy ambitions, including a community engagement board now operating at district level and Climate Leadership Gloucestershire at county level. Environment Committee receives a report on the progress of Climate Leadership Gloucestershire.</p> <p>Effective co-ordination of SDC's own actions as a leader by example to tackle the climate and ecological emergency</p> <p>Effective monitoring and public scrutiny and reporting of progress towards 2030 ambitions -</p>	<p>Rachel Brain</p> <p>Rachel Brain</p> <p>Rachel Brain</p>	1	30/09/2023

						For example the Climate Scorecard Programme and the public scrutiny of the Annual Report. Questions on environmental performance also included residents and business survey.				
						Monitoring to highlight areas where further/priority action needs to be taken - to include Annual Report to Environment Committee and Council. Council Plan monitoring also includes the carbon neutral commitment - goes quarterly to environment cttee. allowing scrutiny by performance monitors and committee.		Rachel Brain		
CCR99	Business Continuity	Keith Gerrard	3	3	9	A complete review of business continuity is being undertaken.		Keith Gerrard	3	01/05/2023
						Creation of a comprehensive corporate recovery plan.		Keith Gerrard		
						Development of business continuity plans for all services		Keith Gerrard		

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## STROUD DISTRICT COUNCIL

### AUDIT AND STANDARDS COMMITTEE

**18 April 2023**

### WORK PROGRAMME

Meeting Date	Report Description	Responsible Officer / Member
18 July 2023	Internal Audit Progress Report	Chief Internal Auditor
	Annual Governance Statement Update	Chief Internal Auditor
	Review of the Risk Management Policy Statement & Strategy	Senior Policy and Governance Officer
	Annual Report of the Chair	Chair
	Standing Items: a) Corporate Risk Register Update b) To consider the work programme	Strategic Director of Resources Democratic Services
26 September 2023	Internal Audit Progress Report	Chief Internal Auditor
	Treasury Management Q1 Report	Principal Accountant
	Statement of Accounts	Principal Accountant
	Counter Fraud and Enforcement Unit Update	Head of Service, (CFEU)
	Standing Items: a) Corporate Risk Register Update b) To consider the work programme	Strategic Director of Resources Democratic Services
28 November 2023	Internal Audit Progress Report	Chief Internal Auditor
	Half-Year Treasury management	Principal Accountant
	Annual Audit Letter	Deloitte
	Standing Items: a) Corporate Risk Register Update b) To consider the work programme	Strategic Director of Resources Democratic Services
30 January 2024	Internal Audit Progress Report	Chief Internal Auditor
	Treasury Management Q3 Report	Principal Accountant
	Annual Governance Update	Chief Internal Auditor
	Treasury Management Strategy	Principal Accountant
	Standing Items: a) Corporate Risk Register Update b) To consider the work programme	Strategic Director of Resources Democratic Services
16 April 2024	Internal Audit Progress Report	Chief Internal Auditor
	Counter Fraud Unit Update and Annual RIPA/IPA Update	Head of Service, (CFEU)
	Draft Internal Audit Plan 2024/25	Chief Internal Auditor
	Standing Items: a) Corporate Risk Register Update b) To consider the work programme	Strategic Director of Resources Democratic Services

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**STROUD DISTRICT COUNCIL**  
**AUDIT AND STANDARDS COMMITTEE**

**TUESDAY, 18 APRIL 2023**

<b>Report Title</b>	<b>INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022-23</b>			
<b>Purpose of Report</b>	To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2022-23.			
<b>Decision(s)</b>	<b>The Committee RESOLVES to:</b> <b>i. Accept the progress against the Internal Audit Plan 2022-23; and</b> <b>ii. Accept the assurance opinions provided in relation to the effectiveness of the Council’s control environment (comprising risk management, control and governance arrangements).</b>			
<b>Consultation and Feedback</b>	Internal Audit findings are discussed with Service Heads and Managers. Management responses to recommendations are included in each assignment report.			
<b>Report Author</b>	Piyush Fatania, Head of Audit Risk Assurance (ARA) Tel: 01452 328883 Email: <a href="mailto:piyush.fatania@gloucestershire.gov.uk">piyush.fatania@gloucestershire.gov.uk</a>			
<b>Options</b>	There are no alternative options that are relevant to this matter.			
<b>Background Papers</b>	None.			
<b>Appendices</b>	Appendix A – Internal Audit Activity Progress Report 2022-23 Appendix A1 - Internal Audit Activity Progress Report – February Appendix B – Exempt			
<b>Implications (details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	No	No	No

## 1.0 INTRODUCTION/BACKGROUND

- 1.1 Members agreed the Stroud District Council [Internal Audit Plan 2022-23](#) on 26<sup>th</sup> April 2022.
- 1.2 In accordance with the [Public Sector Internal Audit Standards \(PSIAS\) 2017](#), this report details the outcomes of Internal Audit work carried out in accordance with the agreed Plan.

## 2.0 MAIN POINTS

- 2.1 The Internal Audit Activity Progress Report 2022-23 at **Appendix A** summarises:
- i. The progress against the Internal Audit Plan 2022-23;
  - ii. The outcomes of the 2022-23 Internal Audit activity delivered up to mid-March 2023; and
  - iii. Special investigations and counter fraud activity.
- 2.2 This is the fourth report in relation to the Internal Audit Plan 2022-23.

### **3.0 CONCLUSION**

- 3.1 The report purpose is to inform the Committee of Internal Audit work undertaken to date, and the assurances given on the adequacy and effectiveness of the Council's control environment. Completion of the Internal Audit Activity Progress Reports ensures compliance with the PSIAS, the [Council Constitution](#) and [the Audit and Standards Committee Terms of Reference](#).

### **4.0 IMPLICATIONS**

#### **4.1 Financial Implications**

There are no financial implications arising directly from this report.

Risk Assessment:

Failure to deliver effective governance will negatively impact on the achievement of the Council's objectives and priorities.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: [andrew.cummings@stroud.gov.uk](mailto:andrew.cummings@stroud.gov.uk)

#### **4.2 Legal Implications**

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

Hayley Sims, One Legal

Tel: 01684 272691 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

#### **4.3 Equality Implications**

There are no equality implications arising from the recommendations made in this report.

#### **4.4 Environmental Implications**

There are no environmental implications arising from the recommendations made within this report.



# **PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY**

## **APRIL 2023**

Appendix A

**1. Introduction**

- 1.1 The Council's Internal Audit service is provided by Audit Risk Assurance (ARA) under a Shared Service agreement between Gloucestershire County Council, Stroud District Council and Gloucester City Council.
- 1.2 ARA provides these services in accordance with the Public Sector Internal Audit Standards 2017 (PSIAS) which represent the "proper Internal Audit practices". The standards define the way in which the Internal Audit service should be established and undertake its operations.
- 1.3 In accordance with the PSIAS, the Head of Internal Audit is required to regularly provide progress reports on Internal Audit activity to management and the Audit and Standards Committee. This report summarises:
- i. The progress against the Internal Audit Plan 2022/23;
  - ii. The outcomes of the 2022/23 Internal Audit activity delivered up to mid-March 2023; and
  - iii. Special investigations and counter fraud activity.
- 1.4 Internal Audit plays a key role in providing independent assurance and advice to the Council that these arrangements are in place and operating effectively. However, it should be emphasised that management are responsible for establishing and maintaining appropriate risk management processes, control systems (financial and non-financial) and governance arrangements.
- 1.5 During the year we have experienced some staff turnover, with new members joining the team. These new staff bring with them enthusiasm, new skills, and new ideas. As a new member of the team, they are required to complete mandatory induction tasks and training to ensure they deliver work to our high professional standards. This 'learning curve' for new team members has meant that some of the audits planned for 2022/23 have not been completed. These activities are marked as deferred within 2022/23 and have been considered as part of the 2023/24 audit planning risk assessment process.

**2. Summary of 2022/23 Internal Audit work delivered up to mid-March 2023**

- 2.1 The following Assurance criteria are applied to Internal Audit reports:
- i. Substantial assurance – all key controls are in place and working effectively with no exceptions or reservations. The Council has a low exposure to business risk;
  - ii. Acceptable assurance – all key controls are in place and working but there are some reservations in connection with the operational effectiveness of some key controls. The Council has a low to medium exposure to business risk;
  - iii. Limited assurance – not all key controls are in place or are working effectively. The Council has a medium to high exposure to business risk; and

- iv. No assurance – no key controls are in place, or no key controls are working effectively. The Council has a high exposure to business risk.

## 2.2 Activity Name- Brimscombe Port

- i. Assurance Level for this report: Substantial Assurance; and
- ii. There are no recommendations arising from this review.

2.3 **Scope** – To review the 2021/22 income receipts and expenditure annual statement and supporting evidence in respect of the management of the site.

## 2.4 Key Findings

- i. The Council's financial systems identify Brimscombe Port 2021/22 financial transactions, and they are correctly coded to specific cost centres and subjective income and expenditure categories, helping effective audit review.
- ii. The re-performance of checks was completed using the Brimscombe Port 2021/22 Income and Expenditure Statement, reconciling to the Council's financial system (Unit 4 Business World). This audit test confirmed that the working papers provided by the Finance Team, agreed to the above statement.
- iii. The Council receive income for tenant rent and service charges for occupation of business space at Brimscombe Port. An audit test was completed with the objective of obtaining assurance that income was correctly classified as belonging to the Brimscombe Port project. A sample totalling £31k was chosen. The results confirmed that charges were correct for Brimscombe Port, that income invoices were for 2021/22, and all five transactions had been paid.
- iv. The Council incur a range of expenditure categories for the operational running costs and project refurbishment. A review of expenditure incurred was completed for a sample which totalled £172k. The results of testing verified that the expenditure was correct for Brimscombe Port, invoices were for 2021/22, and transactions had been paid to suppliers by 11th January 2022.
- v. The Brimscombe Port re-generation project's financial statement disclosures were consistent with the 2021/22 unaudited accounts for cumulative capital development expenditure of £531k for the year.

## 3. Counter Fraud Update – Summary of Counter Fraud Activities

### Current Status

- 3.1 The Counter Fraud Team (CFT) within Internal Audit has received three referrals in 2022/23 to date. Two referrals were requests to trace individuals or their assets in support of existing SDC investigations and debt recovery activity, respectively. The CFT resulted these by providing intelligence obtained via 'GBG Investigate'<sup>1</sup> and collaboration with law enforcement.

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<sup>1</sup> GBG is a commercial service which aggregates data from multiple private and public sector sources, joins it in a single database and allows customers to build interactive network charts from their search results. Local government

Appendix A

- 3.2 The CFT has a third referral and are currently undertaking an investigation. Further details of this will be provided to the Committee in due course.
- 3.3 In addition, the CFT closed two Covid-19 grant cases carried forward from previous financial years. Nominals did not engage with the investigation or debt recovery and law enforcement closed CFT referrals as “no further action” citing inability to identify any further lines of enquiry. These were reported back to BEIS (now, the Department for Business and Trade) in line with guidance.

**National Fraud Initiative (NFI)**

- 3.4 The CFT continues to support SDC’s participation in the NFI data matching exercise administered by the Cabinet Office. The CFT co-ordinated the Council’s dataset uploads in line with NFI timetables and met all compliance obligations.
- 3.5 The data matches in respect of the main 2023/24 exercise were released in January 2023. Example datasets include housing, insurance, payroll, creditors, council tax, electoral register and market trader/operator licences, taxi driver licences and personal licences to supply alcohol.
- 3.6 Matches are most likely to provide useful information and actionable leads when reviewed as early as possible. They are reviewed by the appropriate service area within the Council. The CFT remains on standby to assist teams in planning their strategic approach to matches, to provide assistance on individual matches and concerns, or as it has in the past, to conduct wider exercises to review a subset of matches itself.
- 3.7 Some teams purchase additional capacity on this either Internal Audit (CFT) or from the Counter Fraud and Enforcement Unit (CFEU). CFEU findings will be separately reported to the Audit and Standards Committee.

**Intelligence & Fraud Alerts**



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

**Counter Fraud Intranet**

- 3.9 The CFT has developed a new suite of intranet pages for The Hub which includes: Homepage | Report a Fraud | NFI | Meet the Team | Fraud Comms inc. International Fraud Awareness Week | Investigations | Governance | What Are Fraud, Bribery and Corruption?
- 3.10 The homepage is found at: <https://hub.stroud.gov.uk/resources/finance/counter-fraud-bribery-corruption>

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customers get additional access to privileged datasets making it a powerful search and trace tool, provided caveats around “consented” data (user contributed data) and potential false positives are applied.



## Training

- 3.11 The CFT has delivered multiple training sessions to staff at the Council including Interviews Under Caution for internal enforcement staff, and “12 Days of Christmas” seasonal frauds via Proud of Stroud. It has also developed a Procurement Fraud training session which the Council may take up at its convenience.

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Stroud District Council 2022-23 Internal Audit Progress Report - February 2023

Ref	Plan Quarter	Actual Quarter	Dept.	Audit	Comment	Risk	Status Now	Status Last Report	Comments
<b>Completion of 2021-22 Work</b>									
1		1	Communities	Anti-social Behaviour Management	Assurance	High	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
2		1 and 2	Communities	Electrical Works Contract – Follow-Up	Assurance	High	Final Report Issued	Final Report Issued	Carry forward from 2021/22. Reported to September 2022 Committee.
3		1	Resources	Brimscombe Port – Annual Report	Assurance	Medium	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
4		1	Resources	Change Management Process	Assurance	High	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
5		1	Resources	Creditors – Follow-Up	Assurance	High	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
6		1	Resources	Green Homes Grant Local Authority Delivery Scheme - Phase 1b	Assurance	High	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
7		1 and 2	Resources	IT Compliance with Government Standards	Assurance	High	Final Report Issued	Final Report Issued	Carry forward from 2021/22. Reported to September 2022 Committee.
8		1 and 2	Resources	IT Incident Management Process	Assurance	High	Final Report Issued	Final Report Issued	Carry forward from 2021/22. Reported to September 2022 Committee.
9		1	Resources	IT Infrastructure Strategy	Assurance	High	Final Report Issued	Final Report Issued	Delivered across 2021/22 year end. Reported to July 2022 Committee.
<b>Work Planned for Quarter 1 2022-23</b>									
10	1	1 to 4	Communities	Leisure Facilities – Stratford Park	Assurance	High	Field Work Started	Field Work Started	Leisure facilities activity split into two tranches - Stratford Park (Quarter 1) and The Pulse (Quarter 2).
11	1	1 and 2	Communities	Social Housing Decarbonisation Fund (Demonstrator)	Assurance	High	Final Report Issued	Final Report Issued	Reported to November 2022 Committee.
12	1	4	Place	Canal Restoration Project – Risk Management	Assurance	High	Field Work Started	Planned	Quarter 4 delivery request from service management agreed.
13	1	1 and 2	Place	Planning Applications – Consultations with Town and Parish Councils	Assurance	Medium	Final Report Issued	Final Report Issued	Reported to September 2022 Committee.
14	1	2	Place	Planning Enforcement	Consultancy	Consultancy	Final Report Issued	Final Report Issued	Interim position reported to November 2022 Committee. Further ARA consultancy input requested for later in 2022/23.
15	1	1	Place	Planning Enforcement – Complaints Data Analysis	Assurance	High	Final Report Issued	Final Report Issued	Information Sheet released to Committee in July 2022.
16	1	1 to 3	Place	Innovate to Renovate – Claim 1	Assurance	Medium	Final Report Issued	Draft Report Issued	Claim 1 and Claim 2 outcomes consolidated into one report. Reported to February 2023 Committee.
17	<b>NEW</b>	1 and 2	Resources	Contain Outbreak Management Fund (COMF) - Grant Certification	Assurance	High	Final Report Issued	Final Report Issued	<b>New activity.</b> Reported to September 2022 Committee.
18	1	1 and 2	Resources	Covid 19 Business Grants – Post Payment Assurance	Assurance	High	Final Report Issued	Final Report Issued	Activity split into two tranches. This is tranche 1. Tranche 1 position reported to November 2022 Committee.
19	1	4	Resources	IT Applications Management	Assurance	High	Field Work Started	Planned	Activity progressing.
20	1	3 to 4	Resources	IT Cyber Security	Assurance	High	Final Report Issued	Field Work Started	Reported to April 2023 Committee.
21	1	1 to 3	Resources	IT Disaster Recovery – Follow-Up	Assurance	High	Final Report Issued	Final Report Issued	Reported to February 2023 Committee.
22	<b>NEW</b>	1	Resources	Test and Trace Support Payment Scheme – Grant Certification	Assurance	High	Final Report Issued	Final Report Issued	<b>New activity.</b> Reported to September 2022 Committee.

Stroud District Council 2022-23 Internal Audit Progress Report - February 2023

Ref	Plan Quarter	Actual Quarter	Dept.	Audit	Comment	Risk	Status Now	Status Last Report	Comments
<b>Work Planned for Quarter 2 2022-23</b>									
23	2	2 to 4	Communities	Cleaner Estates Strategy (Refuse)	Assurance	High	Draft Report Issued	Field Work Started	Awaiting management response.
24	2	N/A	Communities	Housing Management System – Project Management	Assurance	High	Deferred	Planned	Project delivery has been put back. Audit deferred to 2023/24 Internal Audit Plan.
25	2	N/A	Communities	Housing Revenue Account (HRA) Delivery Plan	Assurance	High	Deferred	Planned	New strategic lead. Delivery Plan revision planned. Audit deferred to 2023/24 Internal Audit Plan.
26	2	2 to 4	Communities	Leisure Facilities – The Pulse	Assurance	High	Field Work Started	Field Work Started	Leisure facilities activity split into two tranches - Stratford Park (Quarter 1) and The Pulse (Quarter 2).
27	2	N/A	Communities	Out of Hours Emergencies – Follow-Up	Assurance	High	Deferred	Field Work Started	SLT request for audit to be placed on hold as at January 2023. Scope change considered post February Committee. Delivery to occur Quarter 1 2023/24.
28	2	4	Communities	Safeguarding	Assurance	High	Field Work Started	Planned	Activity progressing.
29	2	N/A	Communities	Social Housing Decarbonisation Fund (Wave 1)	Assurance	High	Deferred	Planned	Audit deferred to 2023-24 Internal Audit Plan.
30	2	2 to 3	Place	Innovate to Renovate – Claim 2	Assurance	Medium	Final Report Issued	Final Report Issued	Claim 1 and Claim 2 outcomes consolidated into one report. Reported to February 2023 Committee.
31	2	N/A	Place	ISO 14001 – Environmental Management System	Consultancy	Consultancy	Not Required	Planned	Audit planning risk assessment updated within year. Audit activity not required in 2022/23, due to the service area review of delivery model for obtaining this standard.
32	2	N/A	Resources	IT Procurement	Consultancy	Consultancy	Not Required	Planned	Risk assessment update completed within year. Audit activity not required in 2022/23 due to levels of IT Procurement.
33	2	N/A	Resources	Member Expenses	Assurance	Medium	Deferred	Planned	Audit deferred to 2023/24 risk assessment.
34	2	4	Resources	Risk Management - Risk Assurance Map	Consultancy	Consultancy	Planned	Planned	Pre engagement commenced Quarter 4. Audit delivery to occur from Quarter 1.
<b>Work Planned for Quarter 3 2022-23</b>									
35	3	N/A	Council Wide	Business Continuity	Assurance	High	Deferred	Deferred	Strategic lead change has occurred. Audit deferred to 2023/24 Internal Audit Plan.
36	3	3	Council Wide	Contract Management Framework	Assurance	High	Field Work Started	Planned	Activity progressing.
37	3	N/A	Council Wide	Emergency Planning	Assurance	High	Deferred	Deferred	Strategic lead change has occurred. Audit deferred to 2023/24 Internal Audit Plan.
38	3	4	Council Wide	Fit for the Future Programme	Assurance	High	Field Work Started	Planned	Activity progressing.
39	3	N/A	Communities	Homelessness Prevention	Assurance	Medium	Deferred	Deferred	Audit deferred to 2023/24 Internal Audit Plan.
40	3	N/A	Communities	Section 20 Leaseholder Service Charges	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 Internal Audit Plan.
41	3	4	Place	Brimcombe Port Management Accounts	Assurance	High	Final Report Issued	Planned	Reported to April 2023 Committee.
42	3	N/A	Place	Health and Safety Audits	Assurance	Medium	Deferred	Deferred	Audit deferred to 2023/24 audit planning risk assessment.

Stroud District Council 2022-23 Internal Audit Progress Report - February 2023

Ref	Plan Quarter	Actual Quarter	Dept.	Audit	Comment	Risk	Status Now	Status Last Report	Comments
43	3	N/A	Resources	Cash and Bank	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 Internal Audit Plan.
44	3	4	Resources	Insurance	Assurance	High	Field Work Started	Planned	Audit progressing.
45	3	N/A	Resources	Government Procurement Cards	Assurance	Medium	Deferred	Deferred	Audit deferred to 2023/24 audit planning risk assessment.
46	3	N/A	Resources	Payroll and Pension Administration	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 Internal Audit Plan.
<b>Work Planned for Quarter 4 2022-23</b>									
47	4	4	Communities	Housing Voids – Follow-Up	Assurance	High	Field Work Started	Planned	Activity progressing.
48	4	4	Place	Planning Enforcement – Follow-Up	Assurance	High	Field Work Started	Planned	Audit progressing. Information Sheet to April 23 Committee.
49	4	4	Place	Sustainable Warmth Grant (Home Upgrade Grant Phase 1)	Assurance	High	Field Work Started	Planned	Audit progressing. Grant certification date due Quarter 1 2023//24.
50	4	4	Place	Sustainable Warmth Grant (Local Authority Delivery Scheme Phase 3)	Assurance	High	Field Work Started	Planned	Audit progressing. Grant certification date due Quarter 1 2023/24.
51	4	N/A	Resources	Council Tax – Opening Debits	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 Internal Audit Plan.
52	4	4	Resources	Covid 19 Business Grants – Post Payment Assurance	Assurance	High	Final Report Issued	Planned	To be reported to July 2023 Committee.
53	4	N/A	Resources	Election Payments	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 audit planning risk assessment.
54	4	N/A	Resources	National Non-Domestic Rates (NNDR) – Opening Debits	Assurance	High	Deferred	Planned	Audit deferred to 2023/24 Internal Audit Plan.
55	<b>NEW</b>	4	Resources	Right To Buy	Assurance	High	Field Work Started	Planned	Activity progressing.
56	4	N/A	Resources	Risk Management Follow-Up	Assurance	High	Deferred	Planned	Audit deferral to 2023/24 Internal Audit Plan. Based on recommendation target dates from original review.
57	4	4	Resources	Treasury Management and Ethical Investments Strategy	Assurance	High	Planned	Planned	Pre engagement meetings held. Delivery to commence Quarter 1 2023/24.
58	<b>NEW</b>	4	Council Wide	Section 31 Biodiversity Net Gain Grant	Grant	High	Planned	Planned	Grant certification due 30th March. <b>New activity.</b>
<b>Work Planned for Throughout 2022-23</b>									
59			Communities	Leisure Facilities – Local Authority Trading Company	Consultancy	Consultancy	Ongoing	Ongoing	Activity progressing.
60			Counter Fraud	Counter Fraud	Assurance	High	Ongoing	Ongoing	Counter Fraud activity progresses throughout the year and is reported at each Committee.

**Key:**

	The audit has started or will start on time.
	The audit commencement has been or is likely to be delayed.
	The audit is not likely to be undertaken in this financial year.

TBC: To be confirmed.  
N/A: Not applicable.

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