

AGENDA

Meeting: Audit and Governance Committee

Place: Council Chamber - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Tuesday 27 September 2022

Time: 2.00 pm

Please direct any enquiries on this Agenda to Tara Shannon, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718352 or email tara.shannon@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

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Membership:

Cllr Mark Connolly (Chairman)
Cllr Stuart Wheeler (Vice-Chairman)
Cllr Chuck Berry
Cllr Adrian Foster
Cllr Gavin Grant
Cllr George Jeans

Cllr Edward Kirk
Cllr Antonio Piazza
Cllr Pip Ridout
Cllr Mike Sankey
Cllr Martin Smith

Substitutes:

Cllr Liz Alstrom
Cllr Ernie Clark
Cllr Matthew Dean
Cllr Nick Errington
Cllr Ross Henning

Cllr Jon Hubbard
Cllr Tom Rounds
Cllr Jo Trigg
Cllr Pauline Church

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Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

AGENDA

Part I

Items to be considered while the meeting is open to the public

1 **Apologies**

To receive any apologies or substitutions for the meeting.

2 **Minutes of the Previous Meeting** (*Pages 5 - 14*)

To confirm and sign the minutes of the meeting held on 21 July 2022.

3 **Declarations of Interests**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 **Chairman's Announcements**

To receive any announcements through the Chairman.

5 **Public Participation**

The Council welcomes contributions from members of the public.

Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named on the front of the agenda for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named on the front of this agenda no later than 5pm on 20 September 2022 in order to be guaranteed of a written response. In order to receive a verbal response questions must be submitted no later than 5pm on 22 September 2022. Please contact the officer named on the front of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Committee members prior to the meeting and made available at the meeting and on the Council's website.

6 **Annual Governance Statement 2021/22** (*Pages 15 - 32*)

To consider the Annual Governance Statement 2021/22.

7 **Stone Circle Annual Governance Update** *(Pages 33 - 42)*

To receive the annual Stone Circle governance update.

8 **Corporate Risk** *(Pages 43 - 56)*

To receive a presentation on Corporate Risk.

9 **Procurement Improvement Plan** *(Pages 57 - 88)*

To receive a presentation on the Procurement Improvement Plan.

10 **Policy Updates** *(Pages 89 - 104)*

To consider the Anti-Money Laundering policy.

11 **Forward Work Programme** *(Pages 105 - 108)*

To note the Forward Work Programme

12 **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on 23 November 2022.

13 **Urgent Items**

Any other items of business, which the Chairman agrees to consider as a matter of urgency.

Part II

Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

None

Audit and Governance Committee

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 21 JULY 2022 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Mark Connolly (Chairman), Cllr Stuart Wheeler (Vice-Chairman), Cllr Adrian Foster, Cllr Gavin Grant, Cllr George Jeans, Cllr Edward Kirk, Cllr Antonio Piazza, Cllr Jo Trigg (Substitute - Part II), Cllr Pauline Church (Substitute - Part II) and Cllr Nick Botterill (Cabinet member for Finance - Non-Voting Member)

29 **Apologies**

Apologies were received from:

- Cllr Chuck Berry
- Cllr Pip Ridout, who was substituted by Cllr Pauline Church
- Cllr Mike Sankey
- Cllr Martin Smith, who was substituted by Cllr Jo Trigg

30 **Minutes of the Previous Meeting**

The minutes of the meeting on 27 April 2022 were presented for consideration and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

31 **Declarations of Interests**

There were no declarations of interest.

32 **Chairman's Announcements**

The Chairman announced that agenda items 6 and 7 would be swapped in order, with the Good Lives Alliance being taken prior to the Internal Audit Reports.

33 **Public Participation**

No public questions or statements were received.

34 **Good Lives Alliance**

At the Chairman's invitation Helen Jones (Director Procurement and Commissioning) presented a report on the Good Lives Alliance (GLA) tender process detailing the response to a no assurance audit.

The officer was looking at lessons learned and a commissioning framework that was fit for purpose, and 3 key areas for improvement were identified:

- Business Care
- Provider Performance Monitoring
- Providers and The Council Work in Partnership

A significant amount of work had been undertaken to address the areas identified which were detailed in the agenda report.

In response to questions asked by Members the officer stated that the KPI's had been reviewed with providers and all providers were onboard with the new process.

In relation to the Council being able to get a sufficient care package in place that met standards, within the budget, it was explained that a cost of care exercise was being undertaken, so the Council would be able to baseline costs. Buying in blocks gave the Council more buying power and that the aim was to get more people into supported living settings as the outcome was better for service users and costs were lower to the Council. A report would be going to Cabinet in October 2022 on the Wiltshire Living Well Strategy. So, there would be strategies in place enabling the Council to set fair costs that would attract providers to the market.

Further details were given on new market oversight system, Provider Assessment & Market Management Solution (PAMMS) and the various modules it contained. Providers had been invited to be part of a pilot group to test how it worked and it was hoped that processes could be co-produced, and providers could undertake self-assessments.

Members highlighted that in terms of the Audit and Governance Committee remit the efficient use of finances, staff time and resources were important.

In response to further questions regarding the sharing of information within PAMMS across the South West group, the officer stated that providers were concerned with commercially sensitive information being shared outside of the Council, this was being looked at in the pilot and details were being worked out. The intention was that general information would be easily accessed and shared, it would also be much easier to pull reports, gather intelligence and to scrutinise using the system.

The Chairman, seconded by Cllr Grant, proposed a motion and it was,

Resolved:

That the Committee note the actions taken in response to the internal audit.

35 Internal Audit Reports

At the Chairman's invitation, Charlotte Wilson (SWAP) presented the Internal Audit Reports.

2021/22 Internal Audit Opinion

The overall Internal Audit (IA) opinion given for the year 2021/22 was reasonable. 3 significant corporate risks had been identified over the year which was why the opinion was not substantial. 69 separate reviews had been conducted, which had increased from 45 in the previous year as SWAP staff were no longer working on the COVID response.

The SWAP representative took the Committee through the report (which would be taken as read), drawing attention to certain areas such as the purpose of the report, the 3 lines of defence, how IA fits in to the Councils governance framework and what was taken into account in order to form the IA opinion. It was noted that on page 17, the coverage against corporate risk was aligned with the old version of the risk register, which had been used to maintain consistency. Going forward the new risk register would be used (once finalised). SWAP had not undertaken work on the Salisbury Economy as this would be dropping off the risk register. The 2 areas which had only received some coverage (Safeguarding Adults and Corporate Health, Safety and Wellbeing) would be added to the 2022/23 audit plan.

With regard to areas identified as significant corporate risk, all 6 agreed actions had been implemented for the Care Home Alliance and a follow up review was being conducted to gather evidence to give assurance. For Category Management and Procurement Exemptions the actions had not yet reached implementation date so an update would be brought to the next Committee.

Having looked at the work which had taken place, Members stated that work force planning and capacity impacted every area of the Council and could impact delivery of services and the Health and Wellbeing of staff could be an issue, an update on the progress of that work was requested. The SWAP representative explained that this was an advisory (rather than assurance) piece of work. A position statement had been prepared and talks were underway with the Assistant Director HR&OD. The findings of this work would be used going forward to inform the audit plan to make sure it was covered, and assurance gained.

Members also highlighted concerns that all 3 significant risks were procurement and commissioning related and wanted reassurance from officers that the implementation deadlines for the 2 outstanding risks of Category Management and Procurement Exemptions would be met. Further questions were also asked on staff capacity and whether contract exemptions should even exist.

Jon Hopkins (Head of Commercial and Procurement) responded that the team were well on track to meet the deadlines. The officer explained that regarding Procurement Exemptions there had not been adequate processes in place, but the situation had improved from where they were previously. Last year there had been 24 exemptions (with a value of around £5.5 million) that had not been in accordance with the regulations. This year this was down to 12 exemptions (with a value of £2 million). Each exemption now went to the Commercial Board (chaired by Andy Brown, Corporate Director Resources, Deputy Chief Executive and S.151 Officer) where they were scrutinised. The team were re-defining what exemptions were and changing the processes, however this would take time as changes were required to be made to the Constitution. A far more rigorous approach was being taken to procurement as many people were leaving it too late and a lot of work was being undertaken to ensure that did not happen. The team wanted to develop a 5 year plan, so it could be seen well in advance when contracts were up for renewal and plans made accordingly.

Regarding staff capacity the officer gave details on a new staff structure that had been implemented with 24 posts in the new team. 9 of these posts were still to be filled but interviews were underway. There had previously been problems recruiting, so the roles had been refreshed to look for less experience and the plan was to train the team up. Immediate needs were being met by colleagues at Hampshire Council.

The officer explained that local government legislation meant that the Council had to have a system to allow for exemptions, but that was intended to cover emergencies rather than be a business as usual option.

In response to a question as to what Category Management was, the officer responded that it was about how you organise spend and contracts and how it was broken down between departments. It would give a high level breakdown of suppliers and contracts and would provide CLT with oversight so that they could plan. The 5 year plan was required to be put on the website so that the business community could plan. The team could meet the deadline of 30 September 2022.

The SWAP representative confirmed that she was happy with the direction of travel and that positive progress had been made, follow ups would be undertaken and SWAP received feed back on progress. Hard evidence would be sought which could be used to show that risks had been mitigated and the Committee could be updated at the next meeting on the progress of these audits and the conduct of the Commercial Board.

Members noted the removal of the Climate Change Strategy from the summary of internal audit work. It was explained that the intent was to have this on the 2022/23 plan.

The Chairman proposed a motion to note the report and the annual Internal Audit opinion given, this was seconded by Cllr Adrian Foster, it was,

Resolved:

- **To note the content of the 2021/2022 Internal Audit Opinion Report and the Annual Internal Audit Opinion given (Reasonable Assurance).**

July 2022 Internal Audit Update Paper and Summary of Outstanding Priority 2 Actions.

The SWAP representative presented the update report. SWAP was not obliged to give a rolling opinion but tried to where possible, the rolling opinion was reasonable. There were 2 significant risks, Category Management and Procurement Exemptions which had been covered earlier. There was also 1 no assurance opinion for the Pension Fund Key Control Review.

Changes to the Audit Plan were highlighted at page 37 and outstanding actions at page 38. Page 49 gave the Outstanding Priority 1 and 2 IA actions and management updates on those.

Members highlighted that some of outstanding actions were quite old and queried why it was taking a long time to complete the actions. In response it was stated that the COVID had affected implementation as resources had been diverted to other areas. SWAP would continue to follow them up and have discussions with management.

Members also asked questions regarding the Pensions Fund Key Control, Review and in particular the 2 red items on page 36 related which both related to tasks, there were concerns that there were systemic problems within the team around how tasks were processed. Officers explained that the Wiltshire Pension Fund Committee (WPFC) were looking at the issues, which were systemic. SWAP was also doing some work in this area. Findings would be reported back to the WPFC, but the Audit and Governance Committee had oversight so needed to be aware of what was happening, and the actions taken.

In response to questions regarding the financial impact of this, it was explained that as an employer Wiltshire Council was protected, so there were no financial implications to the Council. The value of the Pension Fund could be affected however it was doing quite well at the moment. There were 180 employers in the Fund of which the Council was one.

Members requested clarity on the status of actions on page 36. The SWAP representative explained that 3 were in progress but had passed their target date, so they would be monitored as part of a follow up protocol. Work needed to take place to ensure that revised target dates which were achievable were set and justification given as to why dates were missed.

Officers highlighted another piece of work SWAP was undertaking related to the Pension Fund, detailed at page 51 of the agenda, the target date for the recommendations had been missed. The officer confirmed that he was expecting a report in mid-August as a further review was needed and SWAP needed to investigate the recommendations.

Members then expressed concerns regarding the understanding of the scope of problems when targets were set and how confident SWAP were that target dates would be met.

The SWAP representative explained that in terms of the Pension Fund and agreed actions, progress was being reviewed in another piece of work, all actions would be looked at and updates given. It was stated that more discussions between SWAP and officers was required regarding target dates, including setting achievable and realistic target dates and ensuring revised dates were set when targets were missed.

Lizzie Watkin (Assistant Director - Finance and Deputy s151) stated that she would take this away to make sure all issues were understood and would report back to the Committee. The officer also stated that it was really important for the Committee to get updates when they saw significant risk in order to hold officers to account. The officer was keen to hear from the Committee in terms of reports, presentation of information and whether there was anything else they would like to see which would help the Committee to gain understanding and seek assurance.

In response Members requested a report on the Pension Fund Key Control Review to come to the next meeting. The officer explained that this would go to the Wiltshire Pensions Fund Committee (WPFC) who would look at the detailed action plan. However, the Committee should get assurance from the WPFC on progress.

Members also stated that the SWAP reports read more like a showcasing of their approach rather than updating on the progress of this authority and that they would like to see more about the risk areas and the approach to resolve issues. Members also felt that it would be useful to have a better understanding of where responsibilities lie between the WPFC and the Audit and Governance Committee. It was acknowledged that having senior officers present from service areas was useful to report back on areas of concern. However, it was felt that to fulfil its remit, the Committee needed to understand the governance procedures and financial implications. Members felt that some elements of that were lacking in some of the reports and presentations received.

The officer agreed that the Committee needed the right tools and reports and would look to enhance reporting so that the Committee could fulfil its responsibility to monitor risk, governance and process and decision making. A meeting was suggested between a few Members of the Committee, lead officers and SWAP so that these issues could be discussed and reporting improved.

There was no further questions or debate, the Chairman proposed a motion to note the update, which was seconded by Cllr Gavin Grant, it was

Resolved:

Note the July 2022 Internal Audit Update Paper and Summary of Outstanding Priority 2 Actions.

2022/23 Q2 Proposed Audit Plan

The SWAP representative highlighted the proposed plan at page 59 and the 3 key questions to be considered when reviewing the plan which were detailed at page 56.

It was also confirmed that as Climate Change was identified as one of the national issues in the risk assessment that it would be included in the plan.

The Chairman proposed a motion to note the plan, which was seconded by Cllr Gavin Grant, it was,

Resolved:

To note the 2022/23 Q2 Proposed Audit Plan.

36 **Updates**

Lizzie Watkin (Assistant Director Finance & Deputy s151) presented the regulatory updates report. There were 3 aspects covered within the report:

Redmond Review

Further announcements had been made by government in response to the Redmond Review. This included a new body to oversee the reporting for local councils, the Audit Reporting and Governance Authority (ARGA). Plans were also announced to make audit committees compulsory for all councils and include a requirement for at least one independent member to be appointed to that committee.

At a previous meeting, the Committee had already determined to recruit an independent member. The officer explained that an advert had gone out for the role, but no applications were received. The Independent Remuneration Panel had also been convened to look at remuneration for the role, and their recommendation would go to Full Council in October. The process would be run again so that the Committee could get access to independent advice and knowledge.

Further updates were awaited from government, it was possible there would be updates to the code of practise used for the Statement of Accounts. Once received, these would be brought to the Committee and included in any training on the Statement of Accounts.

LEPs

A review of Local Enterprise Partnerships (LEPs) had been undertaken following the reduction of LEPs role in allocating funding and the set up of the Levelling Up Fund and Shared Prosperity Fund. There were indications that

Councils would administer more funding and the LEPs role would be in the form of joint working and collaboration, rather than the approval of funding.

In response to questions regarding the SWLEP the officer stated that the council was the administering body for the grant funding for the LEP and that the money flowed through us. So, there was a slightly increased risk exposure and there would also be additional need in terms of Audit. It was thought the council was well placed as it had a lot of experience administering grants. It was confirmed that local authorities were requesting clarity from government on how it would all work, which would reduce the internal audit burden.

Accounts External Audit sign-off

There was a national issue with accounts and for Wiltshire Council the 2019/20 accounts had still not been approved. A consultation had been undertaken by CIPFA with proposals regarding the Infrastructure Asset Accounting and draft guidance issued. An update to the code of practice was expected and this was needed in order to sign off the 2019/20 accounts. It had been due in June 2022 but had not yet been issued. It was still hoped that the External Auditors could sign off the 2019/20 accounts over the summer and then the accounts be approved by the Deputy Chief Executive (S151 Officer) in consultation with the Chair of the Audit and Governance Committee. However, the delay may have an impact on the progress of the 2020/21 and 2021/22 accounts. The November meeting of the Committee was still the current target to approve both those sets of accounts. Updates would be given to the Committee as required.

Members voiced their disappointment regarding the delays with the accounts and hoped that changes to the Code would not cause lots of additional work. The officer confirmed that changes to the Code would apply to all accounts that were not signed off and not just future accounts. In regard to the historical problems which had delayed the accounts getting signed off, the officer explained that all of the information requested by the External Auditors had been provided and were going through the review process of the External Audit partner. Officers were confident that the historical issues were resolved but were awaiting an update from Deloitte.

The Chairman, seconded by Cllr Gavin Grant, proposed as motion to the note the report and it was,

Resolved:

That the Audit and Governance Committee note the contents of the regulatory updates report.

37 **Forward Work Programme**

The Forward Work Plan (FWP) was considered. Members discussed adding some of the high risk items from the Internal Audit report. Officers confirmed that SWAP would report back on all the audits and suggested that as many of the audits related to procurement and commissioning, an item could be added to the FWP on the Procurement Improvement Plan.

The Chairman proposed a motion to note the FWP and to add the Procurement Improvement Plan to it, this was seconded by Cllr Gavin Grant, and it was,

Resolved:

To note the FWP and to add the Procurement Improvement Plan to it.

38 **Date of Next Meeting**

The next regular meeting of the Audit and Governance Committee would be held on 27 September 2022.

39 **Urgent Items**

There were no urgent or part II items, so the Chairman thanked everyone for attending and closed the meeting.

(Duration of meeting: 10.00 am - 12.00 pm)

The Officer who has produced these minutes is Tara Shannon of Democratic Services, direct line 01225 718352, e-mail tara.shannon@wiltshire.gov.uk

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Wiltshire Council

Audit and Governance Committee

27 September 2022

Subject: Annual Governance Statement 2021/22

Executive Summary

The Annual Governance Statement for Wiltshire Council should demonstrate how the Council is meeting the principles of good governance adopted in its Code of Corporate Governance. A statement has been prepared based on the local code of corporate governance adopted by full council as part of the Constitution. The statement has been shared with external auditors for comment and will be updated to reflect the discussion at the committee ahead of its final agreement as part of the Annual Accounts.

Proposal(s)

The Audit and Governance Committee is asked to consider the draft Annual Governance Statement for 2021/22 at Appendix 1.

Reason for Proposal

The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2021/22. This will be signed by the Leader of the Council and the Chief Executive after final approval by the Audit and Governance Committee. The AGS will form part of the Annual Statement of Accounts for 2021/22.

Perry Holmes

Director, Legal and Governance / Monitoring Officer

Andy Brown

Corporate Director Resources / Section 151 Officer

Tamsin Kielb

Assistant Director, Human Resources and Organisational Development

Wiltshire Council

Audit and Governance Committee

27 September 2022

Subject: Annual Governance Statement 2021/22

Purpose of Report

1. To consider the Annual Governance Statement for 2021/22.

Background

2. The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2021/22. This will be signed by the Leader of the Council and the Chief Executive after final approval by the Audit and Governance Committee. The AGS will form part of the Annual Statement of Accounts for 2021/22.
3. The format of the AGS follows advice from the Chartered Institute of Public Finance and Accountancy (CIPFA), with an onus on making it focused and readable. This is also the format of the [Local Code of Corporate Governance](#) that full council adopted as part of the Constitution on 9 July 2019.
4. The AGS for Wiltshire Council should demonstrate how the Council is meeting the principles of good governance adopted in its Code of Corporate Governance. These principles aim to ensure the Council is:
 - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of intended outcomes.
 - Developing capacity, including the capacity of the Council's leadership and the individuals within it.
 - Managing risks and performance through robust internal controls and strong public financial management.
 - Implementing good practices in transparency, reporting and audit to deliver accountability.

5. The AGS is primarily retrospective. It reports on the assurance framework and measures in place for the financial year 2021/22, but must take account of any significant issues of governance up to the date of publication of the Statement of Accounts. The AGS should outline the actions taken or proposed to address any significant governance issues identified.
6. The AGS is drafted by senior officers who have lead roles in corporate governance. The evidence for the AGS comes from a variety of sources, including service plans, relevant lead officers within the organisation, internal and external auditors and inspection agencies.
7. In last year's Annual Governance Statement the Council identified a number of areas where further improvements could be made to strengthen its governance framework. Quarterly reports have been provided to the Audit and Governance Committee and where appropriate have been rolled forward into the AGS for 2021/22. It should be noted that the previous AGS was agreed later than normal (in autumn 2021) following the previous year's extension under the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020. This means that less time has been available than usual to implement the improvement actions identified within that AGS.

Summary of improvements suggested in 2020/21

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

| AGS improvement actions | Current Status | |
|--|---|----------|
| <i>Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council;</i> and strengthen our approach to partnership working with the VCS through business planning processes. | An end-to-end review of processes across procurement has been undertaken, and a refreshed process has been devised (involving colleagues from Legal and SWAP Audit). Commercial Board has been relaunched in line with this. A restructure of the Commercial & Procurement team has been undertaken, all job descriptions have been revised and recruitment is underway. An improvement plan is in place. | HJ JH |
| <i>Continue activities to embed all of the values in Our Identity across the organisation</i> | Main roll out and embedding activities complete. Our Identity has been refreshed reflecting feedback and relaunched in July 2022. Further work under way to ensure elements embedded in how we lead, work and act to deliver our services. | TK PM |

Principle B - Ensuring openness and comprehensive stakeholder engagement

| AGS improvement actions | Current Status | |
|--|---|----------------|
| <i>Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.</i> | See above for review of end-to-end processes Training has been undertaken with all commissioning staff by IPC (Institute of Public Care) which is a nationally led, locally delivered programme that supports the development of skills in the staff. Following the redesign of end-to-end processes and the | HJ JH DR |

| | | |
|--|---|--|
| | <p>development of a social value strategy, there will be an identification of skills gaps for commercialization and procurement.</p> <p>The restructure of the Procurement Team (as Principle A above) ensured that contract management was included in the new job descriptions for the new Commercial & Procurement Team; in addition, a “Commercial Skills & Capability” role was created as part of the new structure to specifically devise, embed and implement a 5 year commercial skills programme for Officers (and Members) across the Council, this will include contract management and social value (which has evolved to “Socially Responsible Procurement”, to better align to the Wiltshire Council Business Plan). A key feature of that programme will be the new legislation (following the UK’s departure from the EU) that will be introduced in 2023 under the Procurement Bill. A Socially Responsible Procurement Policy and associated action plan has been drafted, and is scheduled to be discussed at Cabinet in November 2022, the action plan includes a specific intent to engage with the voluntary sector and community of Wiltshire as part of a mixed economy approach to the procurement of goods, works and services going forward</p> | |
|--|---|--|

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

| AGS improvement actions | Current Status | |
|---|--|-----------|
| <i>Regularly report on delivery against outcomes defined in the new Business Plan, including our commercial approach</i> | A new corporate performance framework has been agreed as part of the publication of the new Business Plan . Aligned quarterly reporting of performance and risk will go to cabinet covering Q1 2022. | MN |

Principle D - Determining the interventions necessary to optimise the achievement of intended outcomes

| AGS improvement actions | Current Status | |
|--|---|-------------------------|
| <i>Finalise the governance review of Stone Circle company and shareholding arrangements</i> | Cabinet agreed governance arrangements for Stone Circle companies as well as any other companies that the Council owns or has interests in at its meeting on the 27 th September 2021. The first meeting of the shareholder sub committee of the cabinet is scheduled to take place on the 25 th January. | AB PH SH |

Principle E - Developing capacity, including the capability of the Council's leadership and the individuals within it

| AGS improvement actions | Current Status | |
|--|---|--------------------------------|
| <i>Rollout training and awareness on decision making processes</i> | Guides to councillor and officer decision-making powers; cabinet reports and individual cabinet member decisions have now been produced and are available on the council intranet. Further guidance will be produced covering taking, recording and publishing officer decisions, and consulting internal boards. This will be subject to review by Corporate Governance Group, before discussion at CLT/ELT and development of related training material. A comprehensive councillor induction and development programme was prepared for all councillors to benefit from following local elections in 2021. | PH TK MD MN |
| <i>Continue to work with partners to complete a multi-agency evaluation of the response to the pandemic</i> | A full multi-agency debrief was not taken forward in 2021 before response was reactivated for the second wave. The LRF held a set of multi-agency debrief interviews and workshops sessions throughout June 2022 and the feedback from these will be reviewed for any further evaluation requirements. In addition, the public health team have run a series of response debrief/look back sessions for the specific responsibilities around testing, tracing, outbreak management, prisons, care homes, schools and communications to inform our own internal evaluation and ongoing planning. | KB EP MN |

Principle F – Managing risks and performance through robust internal controls and strong public financial management

| AGS improvement actions | Current Status | |
|---|--|-----------|
| <i>Review how performance can be communicated to the public to deliver maximum openness and transparency</i> | A new approach to communication of performance as well as publishing open data will be developed and delivered as part of the BI Development programme and SAP Evolve project. | MN |

Principle G - Implementing good practices in transparency, reporting and audit to deliver accountability

| AGS improvement actions | Current Status | |
|--|--|------------------|
| <i>Align organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes achieved</i> | An outcome-based process has been developed ensuring directorate level service pages link clearly with Business Plan principles. The delay in a multi-year local | AB MN |

| | | |
|--|--|-------------------------------------|
| | <p>government finance settlement means a multi-year budget aligned to business plan outcomes will be trialled in the coming year.</p> <p>A new portfolio management approach is being implemented to align corporate programmes with the new Business Plan and ensure benefits realisation.</p> | |
| <i>Review the Complaints Procedure alongside arrangements to report trends and learning</i> | <p>A new Corporate Complaints Procedure is being drafted for review by the Corporate Leadership Team prior to consideration by Standards Committee and to relevant scrutiny committees.</p> <p>A new complaints casework IT platform is now being developed internally and will support improved reporting of trends and learning.</p> | PH MD FC |

Initials

AB: Andy Brown, Corporate Director, Resources

PH: Perry Holmes, Director, Legal and Electoral Services

TK: Tamsin Kielb, Assistant Director, HR and OD

SH: Simon Hendeby, Director, Housing and Commercial

HJ: Helen Jones, Director of Commissioning

DR: David Redfern, Assistant Director, Leisure, Communities and Culture

KB: Kate Blackburn, Director, Public Health

PM: Paula Marsh, HR

JH: Jonathan Hopkins, Procurement

MN: Martin Nicholls, Executive Office

MD: Maria Doherty, Democracy

EP: Emergency Planning

Main Consideration for the Council AGS - Content

8. An AGS for 2021/22 is attached at Appendix 1. This has been updated in the light of the observations of external audit (Deloitte). The Council's internal auditors, SWAP, have given an overall audit opinion of reasonable assurance on the effectiveness of the Council's control environment for 2021/22.
9. The final sections of the AGS require the Council to identify any significant internal control issues affecting the Council during the relevant period. CIPFA guidance suggests that an internal control issue is to be regarded as significant if:
 - the issue has seriously prejudiced or prevented achievement of a principal objective;
 - the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;

- the issue has led to a material impact on the accounts;
- the audit committee, or equivalent, has advised that it should be considered significant for this purpose;
- the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
- the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
- the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

10. The following areas for improvement have been identified at this stage:

- Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.
- Rollout the Good Conduct Campaign for local councils, including a toolkit, webinar and Good Conduct charter.
- Continue activities to embed all of the elements in Our Identity across the organisation
- Regularly report on delivery against outcomes defined in the new Business Plan, including our commercial approach
- Finalise the governance review of Stone Circle company and shareholding arrangements
- Rollout training and awareness on decision making processes
- Continue to work with partners to complete a multi-agency evaluation of the local response to the pandemic
- Review how performance can be communicated to the public to deliver maximum openness and transparency.
- Align organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes achieved
- Review the Complaints Procedure alongside arrangements to report trends and learning

11. The Council's external auditors, Deloitte LLP, have been asked for their comments on the draft AGS and these will be reflected in the final draft. T The Council has been working with the **External Auditor** and has agreed an approach to evidence the fixed asset accounting disclosures historical balances within the revaluation reserve and capital adjustment account to ensure the 'except for' qualification on these accounts for 2018/19 and 2019/20 is cleared for the accounts for the financial year 2020/21 and to progress the outstanding approval of the 2019/20 accounts which are currently unable to be approved due to a national issue on Infrastructure Asset valuation. Details of the conclusion and opinion can be found in the auditor's ISA 260 reports.

Andy Brown
Corporate Director Resources / Section 151 Officer

Perry Holmes
Director Legal and Governance / Monitoring Officer

Tamsin Kielb
Assistant Director HR and OD

Report Authors: Andy Brown, Perry Holmes, Tamsin Kielb and David Bowater.

Appendices

Appendix 1 Wiltshire Council's Annual Governance Statement 2020/21

Wiltshire Council

Annual Governance Statement 2021/22

Introduction

Wiltshire Council is a local authority that is responsible for providing services to nearly half a million residents, tens of thousands of varied businesses and over a million visitors per year. It aims to create strong communities, grow the local economy and protect vulnerable people and this approach underlines everything we do. The Council secures funding from national government, local taxation and charges. So, as a public body, it needs to have a strong governance and assurance framework to make certain its business is conducted to the highest standards, ensuring:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making, conducted in accordance with the law and proper standards;
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities; and
- public money is safeguarded and properly accounted for, and continuous improvement in the way in which its functions are exercised is secured, having regard to economy, efficiency and effectiveness.

This statement reflects how Wiltshire Council has met those standards in 2020/21 and beyond; as well as the ongoing actions it is taking to maintain and improve its governance arrangements. Evidence of how we have assessed ourselves has been grouped into sections as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its publication 'Delivering Good Governance in Local Government Framework (2016)' and is consistent with the Local Code of Corporate Governance.

Approval of the Annual Governance Statement 2021/22

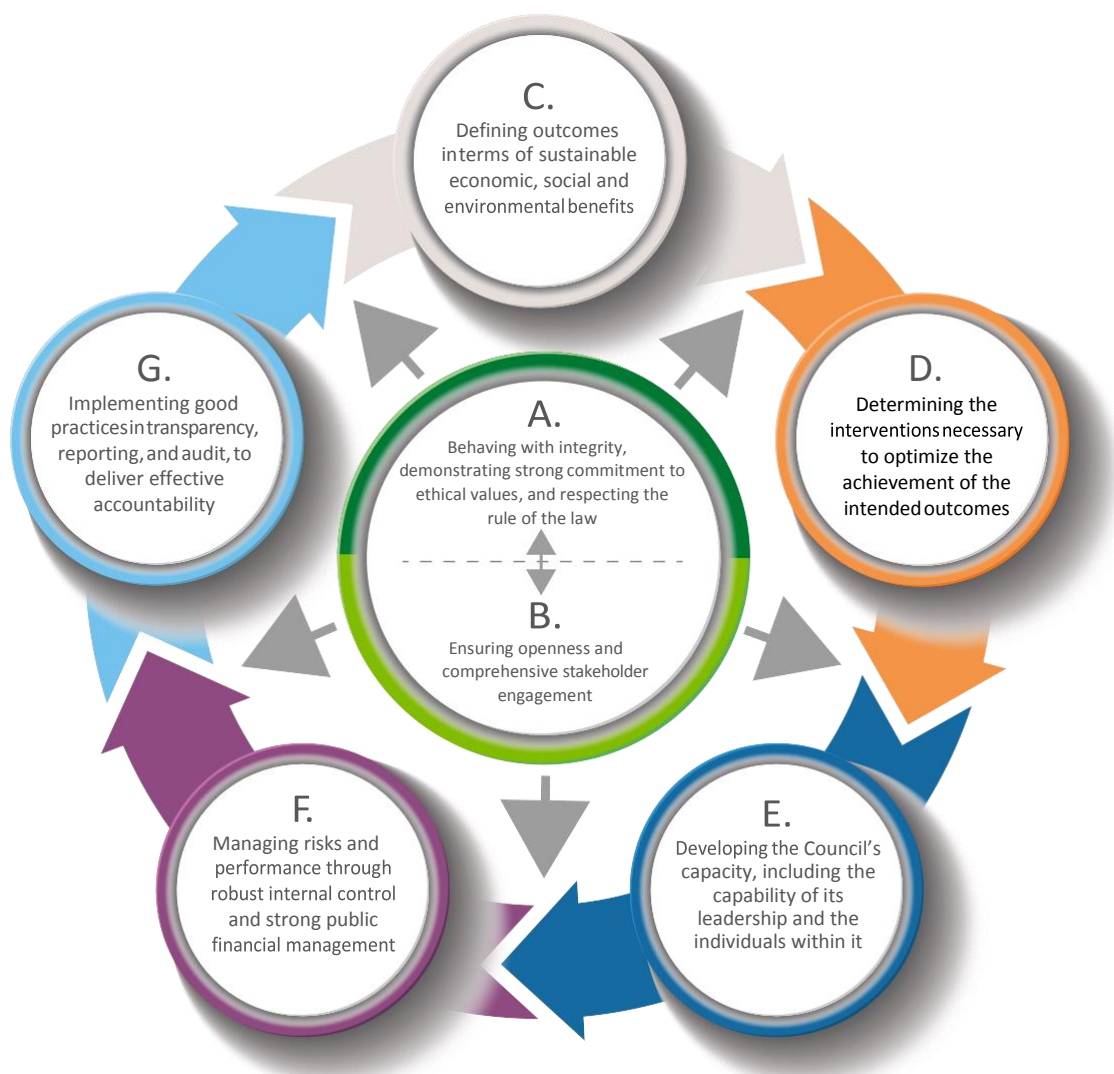
We are satisfied that this statement provides a substantial level of assurance that good governance is in place in Wiltshire Council and that appropriate arrangements are in place to address improvements identified in our review of compliance. Progress on these improvements and on addressing and mitigating the risks will be monitored through the year by senior officers and the Audit and Governance Committee.

Terence Herbert
Chief Executive

Cllr Richard Clewer
Leader of Wiltshire Council

September 2022

The Local Code of Corporate Governance provides a means of demonstrating that a sound level of governance is operated. This local code acts as a means of assurance, but also a mechanism for achieving continuous improvement. This approach is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government* framework. The principles are set out below:



The following pages set out a summary of the key governance controls, mapped against the CIPFA principles. These are supported by case studies to help demonstrate where positive improvement action has already been taken, and a note of improvement actions that the Council will take.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Respect for the rule of law

The Council's [Constitution](#) provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable. The constitution is kept under review by the Standards Committee who request the Constitution Focus Group to review sections. In 2021/22 this included the terms of reference for Audit and Governance Committee and Officer Employment Procedure Rules.

The Constitution includes at Part 13 the **Members' Code of Conduct**, which makes clear the obligation of elected members in promoting and maintaining high standards of conduct and ensuring the principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) are adhered to. Pecuniary and non-pecuniary interests are [registered](#) and published on the web site in accordance with the requirements of the Code of Conduct and underlying legislation. During 2021/22 the Standards Committee began a review of Code, including an assessment of the LGA Model Code which will conclude in 2022/23.

Behaving with integrity

Strong commitment to ethical values

The Council publishes and promotes a recently revised code of conduct for its staff. Alongside this '**Our Identity** - public servants building stronger communities' sets out the type of organisation that the Council needs to be; with 10 elements that provide the blueprint for how staff are expected to lead, work and act in how they deliver services. This includes our brand promise EPIC – Empowering People to Innovate and Collaborate. Our Identity will be embedded throughout the employment lifecycle, forming a key part of the appraisal system to promote ethical awareness amongst the Council's staff.

There is a process for dealing with complaints under the code of conduct for unitary, parish, town and city councillors in Wiltshire. This process and its application is set by the Council and reviewed regularly by the Council's **Standards Committee**. Minutes from the meetings of this Committee can be found [online](#). In 2021-22, 60 complaints were received; 10 regarding Wiltshire Council members and 50 regarding members of town, parish or city councils. Two complaints were referred for investigation, which are currently ongoing. The number of complaints per year since 2012 has ranged from 27-82.

Ethical considerations are also evident in the Council's [Procurement Strategy](#) where Social Value is a consideration. A task & finish group has been set up to ensure Social Value is at the forefront of all procurement activity, achieving value for money on a whole life basis for the council, communities and the economy, whilst protecting the environment.

How we can improve

Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.
Continue activities to embed all of the elements in Our Identity across the organisation.
Rollout a Good Conduct Campaign for local councils, including a toolkit, webinar and Good Conduct chart.

Principle B - Ensuring openness and comprehensive stakeholder engagement

Openness

The Council makes available a range of important information on its website including its strategic aims and ambitions in its published [Business Plan](#) and via its [publication scheme](#). The council has arrangements for dealing with requests under Freedom of Information laws. In 2021/22 there were 1495 requests with 99% responded to within 20 days

Public engagement plays a key part in the decision-making process, across the full range of council services. Key consultations and public engagement campaigns undertaken during 2021/22 include Climate Change and Green & Blue Infrastructure strategies, Pharmaceutical Needs Assessment, Bus Service Improvement Plan, Future High Streets Fund Trowbridge and Salisbury, and Future Chippenham. A **media protocol** is in place for councillors and officers.

Wiltshire Council's 18 **Area Boards** involve the local community in decision-making within the agreed scheme of delegation. 72 area board meetings took place predominately online with devolved funding on community grants, youth, health and wellbeing and transport and devolved decision-making powers on community asset transfers. Cabinet has agreed an increased budget and remit for area boards on transport, encompassing highways, cycleways and footway improvements.

The council's [Statement of Community Involvement](#) sets out expectations in preparing Wiltshire's planning policy documents and in considering planning applications. This was approved by Full Council in July 2020 and included temporary arrangements in light of the pandemic. Timely, open, officer decision making is in place with the ability for local councillors to call-in **planning** decisions to committee in response to local concerns. A strategic planning committee oversees particular significant issues.

Committee meetings are open to the public, and **agenda papers and minutes** are available on the internet in various formats along with forward work plans/ calendars.

The Council supports a range of partnerships including: the [Health and Wellbeing Board](#), promoting integrated working between the council and the NHS; the [Wiltshire Police and Crime Panel](#) which reviews and scrutinises decisions of the Police and Crime Commissioner (joint committee with Swindon Borough Council); and the work of the Swindon and Wiltshire Local Enterprise Partnership ([SWLEP](#)). The Council has been an active partner in the [Local Resilience Forum](#). Membership of the groups is kept under review as legislation, roles and responsibilities change.

The **Wiltshire Compact** is an agreed set of guidelines and principles to foster good working relationships between the voluntary sector and the public sector.

Emergency and other **officer decisions** taken under the scheme of delegation during the pandemic were enacted with the support of the Leader and published [online](#); with regular reports to Cabinet on the key developments. The emphasis has now switched to ensuring appropriate advice and training is given to officers on requirements for recording and publishing decisions, including those arising from discussion at programme boards

Engaging with institutional stakeholders

Engaging with citizens and service users

How we can improve

Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; and strengthen our approach to partnership working with the VCS through business planning processes.

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

The [Business Plan](#) 2022-32 was agreed in February 2022 to enable the guiding themes, missions and outcomes set out to be delivered through service plans and by working with partner organisations and local communities.

The Council receives reports on the combined economic, social and environmental impacts of its policies in the form of various reports including the **Joint Strategic Needs Assessment (JSNA)**. These also inform community led action planning and other schemes.

Following the publication of the report of the Local Government Association's **Peer Review** on Wiltshire Council in 2018, an [action plan](#) was developed and in July 2019 the Overview and Scrutiny Management Committee agreed that further scrutiny was not needed given progress on its recommendations. A further peer review may take place later in 2022/ 23.

Community facilities have a key role in supporting people to live more active and fulfilled lives. The campus programme has provided sustainable assets for towns that provide a place, facilities and services that help to combat isolation and loneliness and increase the opportunities for social interaction; and in so doing build strong communities. Several campuses have been completed already including Calne in November 2020 and Cricklade in February 2021. Work continues on the upgrade in Melksham and Trowbridge Leisure Centre has had temporary repairs. £25m has been allocated in the capital programme for a new building.

A [Local Development Scheme](#) provides a three year rolling project plan for producing the **local development framework**

Parishes throughout the county can continue to request community asset transfers. A rapid scrutiny task group is meeting to review the current service delegation and asset transfer policy and this was also considered at a conference with Town and parish councils in May. Subject to the review and cabinet consideration of the policy the programme of asset transfer will resume in 2023/24. Significant **service delegation and asset transfer** packages have previously been agreed with Bradford on Avon, Devizes and Chippenham Town Councils, Pewsey Parish Council and Salisbury City Council in previous years. Requirements for the public estate are likely to evolve further in coming years with related opportunities for capital receipts, jobs and housing.

Investment in transformation of **adult social care** has continued with strengths-based professional practice, increasing customer independence and reducing reliance on expensive packages of care. Close working with the NHS during the pandemic has also enabled a multi-professional discharge flow hub to be established. **Families and children** transformation programme has led to the implementation of improved multi-professional early support.

Sustainable economic, social and environmental benefits

How we can improve

Regularly report on delivery against outcomes defined in the new Business Plan, including our commercial approach

Principle D - Determining the interventions necessary to optimise the achievement of intended outcomes

Regular Performance and financial updates are reported to senior officers and councillors, including scrutiny through the **Financial Planning Task Group** which is a task group established by the [Overview and Scrutiny](#) Management Committee.

The council's [annual budget](#) setting process has also seen updates to the Medium Term Financial Strategy and ongoing Capital Programme

The [Corporate Procurement Strategy](#) provides the framework for the council to obtain value and social capital from all of its bought in goods and services. The strategy focuses on identifying and delivering efficiencies, but not at the expense of quality; and developing and embracing the principles of sustainable procurement.

The procurement strategy is used to encourage the adoption of a mixed economy approach, evaluating on the basis of whole life costings and breaking down barriers to participate in council opportunities. Using transparent processes, the council commits to meeting its obligation to ensure that all of our procurement activity addresses relevant social, economic and environmental standards.

Oversight of transformational projects is undertaken by the Corporate Leadership Team (CLT) through the Transformation Board, supported with advice from HR and IT. The **transformation board** oversees and assesses the resourcing and priorities for projects and programmes on behalf of the Council that contribute to major transformation and service performance improvement, to deliver on the council's Business Plan priorities. Reports will be provided to the Cabinet via the quarterly performance monitoring on their ongoing work.

Business plans for the Council's **local housing company** and **development company** were agreed by Cabinet in February 2022 by the Council's new shareholder sub committee. This will involve the acquisition of 250 homes over five years and the development of five council owned sites to deliver 116 units. The housing company has acquired 45 properties by the end of 2021/22. The development company business plan is based on development of six sites owned by the Council. The development company has secured planning permission for the first site in February 2022 , has made planning applications for 3 sites and a pre- app for one site. Stone Circle Energy company is dormant. The companies are in the process of recruiting their first members of staff as set out in their business plans with the consequent changes in the resourcing contract that the companies have with the Council.

How we can improve

Finalise the governance review of Stone Circle company and shareholding arrangements

Determining and planning interventions

Optimising achievement of intended outcomes

Principle E - Developing capacity, including the capability of the Council's leadership and the individuals within it

Developing capacity

Developing the capability of the Council's leadership and other individuals

Our workforce strategy has been developed to ensure we have a skilled, adaptive and engaged workforce who collaborate with our partners to effectively and efficiently deliver our business plan priorities and our vision of building stronger communities. This strategy has been developed to support us to ensure we have the right people in the right place at the right time with the right skills, capability and behaviours

We have continued to develop the alignment of service responsibilities to roles at the top of the organisation to ensure joined up and effective working. Following the implementation of a single Chief Executive post, as a focal point of leadership for recovery from the impact of COVID-19, appointments at Tier 1 and Tier 2 of the organisation have been confirmed. Further work continues to ensure ongoing alignment and good succession planning.

A wellbeing survey in July 2021 showed an **improvement in staff engagement** overall (+14% to 84%) since December 2018. As might be expected, moving out of the initial response to the pandemic saw the engagement index score drop very slightly but this is still a very high score and well above the index in the 2018 staff survey (and prior surveys). We have now moved to a 'best of both worlds' hybrid working model to build on previous flexible working arrangements, giving us all the benefits of physical as well as virtual collaboration and have created collaboration spaces and hybrid meeting rooms to help employees get the most of the new ways of working.

The council continues to learn by seeking **best practice** both regionally and nationally and responding to the findings of external inspections such as CQC and Ofsted inspections.

The council has evaluated how well we have worked with our civil contingency partners in the response to (and recovery from) the events in south Wiltshire and will be doing the same for the pandemic given the significant implications for the county, council and partners.

Following the introduction of the **apprenticeship levy** the council and maintained schools in Wiltshire have 316 new and upskilling apprentices. All grade D-F posts are considered for apprenticeships when recruited externally. A leadership development programme offers aspiring and developing managers the opportunity to complete accredited qualifications using levy funding. In addition, the council has 4.8% of its staff aged under 25, some of whom are employed as apprentices.

Managers complete **annual appraisals** with their staff and use these to discuss behaviours, identify training and development needs, and develop plans to address these needs. Exit interviews also provide the council with learning

As well as the training provided as part of councillor induction a range of learning material is made available to councillors online via the Wiltshire Council **learning portal**, GROW.

How we can improve

Rollout training and awareness on decision making processes

Continue to work with partners to complete a multi-agency evaluation of the response to the pandemic

Principle F – Managing risks and performance through robust internal controls and strong public financial management

Managing risk and performance

A [risk and performance management policy](#) was [agreed](#) in February 2019 to replace the previously separate Corporate Risk and Corporate Performance Strategies. Both corporate risk and performance management processes were suspended during the two-year pandemic response phase. They were replaced by specific emergency response risk and performance processes that changed and developed as the response continued. These came to an end early in 2022. A new corporate planning phase started at the end of 2021 allowed us to reboot both the corporate risk and performance process reviewing each input and ensuring cleaner links to the council's new business plan. The Audit and Governance Committee will monitor and review the effective development and operation of performance and risk management, receiving progress reports as required.

The Council is the administering authority for more than 180 employers through the Wiltshire Pension Fund, and the [Pension Committee](#) exercises its responsibilities in relation to investment management where it sets investment policy and appoints and monitors external investment managers. This has included participation in the Brunel Pension Partnership (as agreed by full council). The operation of a **Local Pension Board** continues, with the purpose of scrutinising the Council as Administrator for the Wiltshire Pension Fund and ensuring the efficient and effective governance of the pension scheme.

Wiltshire's section 151 Officer or **Chief Finance Officer** has a statutory duty to ensure that the Council has a strong financial control environment, including an effective and independent Internal Audit function in accordance with the Accounts and Audit Regulations.

The main **changes in risk** in 2021/22 have been the ending of pandemic response specific processes and the reintroduction of the agreed corporate processes. This was an opportunity to review and refine the processes. For example, an additional check was added to the risk process to ensure potential rather than real issues were being captured. Looking ahead the risks associated with reforms in adult social care, reforms to Special Educational Needs and Disabilities funding, inflationary pressures and the consequences of increases in cost of living have been recorded

The Senior Information Risk Owner's **(SIRO) Annual Report**, outlines the significant work that has taken place to embed good practice and manage risk to ensure compliance across the council.

Robust internal control and strong public financial management

How we can improve

Review how performance can be communicated to the public to deliver maximum openness and transparency.

Principle G - Implementing good practices in transparency, reporting and audit to deliver accountability

Assurance and effective accountability

The Council has independent external auditors (Deloitte) and SWAP Internal Audit Services, who provide an internal audit function, Wiltshire being the biggest partner. SWAP’s internal audit plan is agreed by the [Audit and Governance Committee](#) and periodic update reports were considered by the Committee throughout 2021/22. Due to the continued changes to ways of working as a result of the response to the COVID-19 pandemic it was agreed by the Committee that the internal audit plan for 2021/22 would continue to be considered on a more flexible basis, due to the changing operations, risks and priorities for the council during the year. As at April 2022, SWAP Internal Audit completed 52 internal audit reviews, to draft and final report including significant high-risk areas e.g. Care Home Alliance and the Good Lives Alliance. SWAP has worked closely with officers and the Audit & Governance Committee to follow up and monitor implementation of actions. SWAP also continued to support the council in the emergency response to the Pandemic during the first few months of the 2021/22 financial year by providing staff into joint teams to deliver the significant COVID-19 Business Grants to the business sector. This work has been carried out by specific members of the SWAP team to ensure no conflict with Internal Audit activity arose during the year. Overall SWAP assessed the Council’s control environment as ‘reasonable’ with no significant issues raised.

The Council has been working with the **External Auditor** and has agreed an approach to evidence the fixed asset accounting disclosures historical balances within the revaluation reserve and capital adjustment account to ensure the ‘except for’ qualification on these accounts for 2018/19 and 2019/20 is cleared for the accounts for the financial year 2020/21 and to progress the outstanding approval of the 2019/20 accounts which are currently unable to be approved due to a national issue on Infrastructure Asset valuation. Details of the conclusion and opinion can be found in the auditor’s ISA 260 reports.

There is a strong culture operating in the Council of acting to the highest standards. This is rooted in the behaviours expected of councillors and staff and upheld by the senior leaders. Where any resident feels the Council has not acted properly the Council has a **corporate complaints procedure**. The number of complaints received has remained consistent with the previous year, with 382 in 2021/22 compared to 380 in 20/21, following reductions in previous years (459 in 19/20, 588 in 18/19, 624 in 17/18 and 671 in 16/17). The Council received on 8 August the [Annual Letter](#) of the Local Government and Social Care Ombudsman. There were 35 detailed investigations undertaken by the Ombudsman in the year ending 31 March 2022. The number of complaints upheld by the Ombudsman were 21. This compares with 9 (of 16), 19 (of 37) and 10 (of 19) in the last three years. This is an uphold rate of 60% which is lower than the average rate of 99% for similar authorities. The council has complied with all recommendations and in 10% of upheld cases had already provided a satisfactory remedy before the complaint was considered.

Implementing good practices in transparency and reporting

The ambitions set out in the **Local Code of Corporate Governance** are reviewed regularly and updates have been provided to the Audit and Governance Committee.

The Council complies with reporting requirements such as an [online structure chart](#) and senior salaries and expenses.

Overview and Scrutiny

Overview and Scrutiny has reviewed 80% of the decisions taken by the council’s Cabinet and submitted 35 recommendations to improve services, with 67% of eligible members taking part. Reviews have looked at Climate Change, Adoptions and Fostering, Support for Disadvantaged Learners, Housing Related Support and the council’s financial planning arrangements. An [Annual Report](#) sets out the year’s activity in detail.

How we can improve

- Align organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes achieved
- Review the Complaints Procedure alongside arrangements to report trends and learning

Wiltshire Council

Audit & Governance Committee

27 September 2022

Subject: The Governance of the Stone Circle Companies

Cabinet Member: Richard Clewer, Leader of the Council

Key Decision: Non-Key

Executive Summary

This report asks the Audit & Governance Committee to note the changes to the governance arrangements for the Stone Circle companies that have been implemented and are in progress since the completion of a governance review in September 2021 and to provide any additional commentary and suggestions as they see fit.

Proposal(s)

The Audit & Governance Committee is asked to:

1. Note the changes to governance arrangements for the Stone Circle companies that have been implemented since a governance review was conducted in September 2021.
2. Note the changes to be implemented following a governance review in September 2021.
3. To comment and make suggestions on future governance for the Stone Circle companies as they see fit.

Reason for Proposal(s)

The Audit & Governance Committee amongst other roles has responsibilities “to monitor and review the effective development and operation of corporate governance, risk and performance management and internal control, and to receive progress reports as required;”

Following a governance review of the Stone Circle Companies which was presented to Cabinet in September 2021, it was agreed that each year the governance arrangements should be presented to Audit & Governance Committee.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

27 September 2022

Subject: The Governance of the Stone Circle Companies

Cabinet Member: Councillor Richard Clewer, Leader of the Council

Key Decision: Non-Key

Purpose of Report

1. The purpose of the report is to present the governance arrangements for the Stone Circle companies.

Relevance to the Council's Business Plan

2. The proposals in the report directly support the Council's business plan to Grow the economy by facilitating the provision of affordable homes and developing new housing on public land.

Background

3. The Cabinet received a governance review in September 2021 setting out some recommendations based on best practice at the time for the governance of the Stone Circle companies.
4. The Cabinet agreed the recommendations of the review including the establishment of a Shareholder Group to undertake the matters between the Council as shareholder and the companies reserved to the Council in the Shareholder Agreement.
5. After the completion of the governance review and the implementation of some recommendations, Local Partnerships, a joint venture between the Local Government Association and HM Treasury, published a useful toolkit "Local Authority Company Review Guidance." Officers noted that Wiltshire's governance review had broadly followed the advice in the Local Partnerships guide.
6. The Monitoring Officer has also conducted a review of other guidance and academic material in this emerging area. He is now working on some sector led improvement work in collaboration with Canterbury Christchurch University and Browne Jacobson solicitors (a top 50 UK law firm with a highly regarded public sector team) to create a national best practice and innovation network to support council companies. Support and interest for the network has come so far from the Local Government Association, the Chartered Institute of Public Finance and Accountability and Lawyers in Local Government. Wiltshire Council will have a prominent role in this new initiative providing support for other councils and benefitting from learning

and experiences from elsewhere in the country as well as emerging practice and academic study.

Main Considerations for the Committee

7. The Cabinet received a governance review of the Stone Circle companies which made seven recommendations. The recommendations are set out below and Table 1 shows the progress made to date.

Recommendation 1 (R1) a Business Plan with greater detail including market analysis, risks, sensitivity, performance, and forecasting should be produced by the companies especially Stone Circle Housing and Stone Circle Development.

Recommendation 2 (R2) There should be quarterly performance reporting by the companies to the Council in the order Corporate Leadership Team (CLT), an appropriate Task Group or Scrutiny Select Committee and then Cabinet (through the Shareholder Group).

Recommendation 3 (R3) create a Shareholder Group as a sub-Committee of Cabinet with the Leader as Chair with two other Cabinet Members as members with the option to co-opt external commercial expertise to enable the Shareholder Group (after consideration of performance reporting by CLT and Scrutiny) to conduct its role on behalf of the shareholder.

Recommendation 4 (R4) to amend the articles of the company to introduce a three year term for the Chair.

Recommendation 5 (R5) review the appointments to the Board. Now is the time to focus on delivery and therefore the current appointments, although assisting in set-up and initial trading activity, should be amended over a 12-month transitional period. This should include replacing the elected Members on the company Boards, with the advent of the Shareholder Group which will carry out a scrutiny and challenge function, expanding the membership of nonexecutive appointments with specific housing sector commercial experience and increasing the general non-executive membership to the Housing and Development companies by two. The Director of Housing and Commercial Development also be appointed to the companies.

Recommendation 6 (R6) request the company to develop and implement an appropriate staffing structure for the companies, to oversee the operations and to drive commercial delivery at pace. This structure could be resourced incrementally and phased against specific trading data.

Recommendation 7 (R7) annual presentation of governance arrangements to the Audit & Governance Committee.

| No | Recommendation | Status | Details |
|----|---------------------------------|-------------|--|
| 1 | Business plan update | Complete | Presented to Shareholder Group 25 January 2022 |
| 2 | Quarterly performance reporting | In progress | Reporting from Stone Circle to be included in the quarterly reports to Cabinet |

| | | | |
|---|--------------------|-------------|--|
| 3 | Shareholder Group | Complete | Meetings on 25 January 2022 and 1 August 2022. Future meetings to be diarised to be held a minimum of 3 times per year, with any additional meetings as required |
| 4 | Chairman's term | Complete | Amendment made 25 November 2021 |
| 5 | Board appointments | In progress | Director of Housing & Commercial Development appointed. Other non-executive director appointments in train |
| 6 | Company staffing | Complete | Housing Manager started 30 May 2022 and Construction and Development Manager started 1 August 2022 |
| 7 | Audit & Governance | Complete | Report presented 27 September 2022 |

Table 1 – progress against the seven governance recommendations

Progress against recommendations

8. Five of the seven recommendations are complete. The Shareholder Group has now met on two occasions and is undertaking its role of holding the Companies to account to deliver their business plans. Those business plans have been updated as requested by Cabinet. The term of office for the Chairman has been amended. Changes to the make-up of the Boards have started but are not yet complete. A review has taken place of potential remuneration of non-executive directors, with industry expertise and knowledge. Now that has completed the recruitment of additional non-executive directors to the Board can take place. That is expected to be implemented by the end of the calendar year.
9. The provision of quarterly reports has not progressed whilst the other linked recommendations were completed but discussions with the Companies are ongoing with quarterly reporting anticipated to start during the current financial year, 2022/23. The reporting on the value of loans issued and held with the companies will be through the Treasury management reporting to Cabinet, thereby transparently reporting on the Councils exposure and risk on debt.
10. The Companies have appointed a Housing Manager who started on 30 May 2022 and a Construction and Development Manager who started on 1 August 2022. Both are directly employed by Stone Circle Housing Company.
11. When Cabinet approved the Stone Circle governance arrangements it was provided with a diagram setting out the roles and responsibilities of the various parts of the Council which is set out at Appendix 1 for the Committee's assistance. Below is a reminder for the Committee of the activity of the two active subsidiary companies.

Stone Circle Housing company

12. The business rational for Stone Circle Housing company is to purchase and rent properties to enable renters to access the market at rental levels that are somewhere between Local Housing Allowance levels (those rent levels paid by tenants in our council housing stock) and the private sector market rate.

13. At the September Board meeting it was reported that at present there are 41 properties completed and offers have been accepted on a further 10 with 28 properties identified for viewing. Given the time period to complete acquisition it is likely that the business plan target of 72 properties will not be achieved in this financial year albeit the company may be in contract for the business plan target acquisitions.

Stone Circle Development company

14. The rationale for Stone Circle development company is to purchase and develop council owned land for sale or rental.

15. The company has achieved planning permission for the Priestly Grove site comprising 9 units. Planning conditions and option agreement are still to be resolved and the Council is being chased to progress this. Start on site for this scheme is projected to be early in 2023 calendar year. Ashton Street scheme is expected to be considered at September planning committee. Other schemes are progressing through the planning process.

Stone Circle Holding company

16. Stone Circle Holding company acts as a holding company for the other two and all costs are recharged and thus captured in the Stone Circle Housing and Development company activities. At this stage a third subsidiary, Stone Circle Energy, has not started trading.

Overview and Scrutiny Engagement

17. This report has not been considered by financial planning task group.

Safeguarding Implications

18. There are no safeguarding implications stemming from this report.

Public Health Implications

19. There are no public health implications as a direct result of this report.

Procurement Implications

20. There are no procurement implications as a direct result of this report.

Equalities Impact of the Proposal

21. There are no equality impact implications stemming from this report.

Environmental and Climate Change Considerations

22. Stone Circle housing company has committed to improve the EPC rating of the properties it purchases where economic to do so. Stone Circle development company has submitted the first project plan that includes an all-electric development installing air source heat pumps. The company aims

to build homes for life which minimise the carbon footprint within the overall economics of development.

Risks that may arise if the proposed decision and related work is not taken

23. If the Audit & Governance Committee does not consider the governance arrangements for the Stone Circle companies an element of the Council's approach to following best practice in relation to its council companies will be missed.
24. There may be financial and reputational risks to the council if the governance of the Stone Circle companies is not kept under review.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

25. The roles and responsibilities for Wiltshire Council's companies includes the Shareholder Group, the Boards of the companies including non-executive directors with industry knowledge and expertise, Overview & Scrutiny Management Committee and Audit & Governance Committee in providing a wholistic overview of activity and progress. This framework mitigates the financial and reputational risks to the Council of the Stone Circle Companies.

Financial Implications

26. The purpose of this report is to present governance arrangements for review and comment. There are no direct financial implications from the decision to note the governance arrangements.
27. The financial basis for the Stone Circle companies is predicated on loans from the Council to the company to finance their activities. In the case of the Housing company, the Council will recover its investment over a significant period through a mixture of company returns and a margin on the borrowing issued. For the Development company the Council will recover its investment for each site at the end of the project as a margin on the borrowing issued and through the return from the profit made from the project.

Legal Implications

28. This report for noting and commentary, does not involve any direct legal implications. The approach being taken to governance at Wiltshire Council is in line with best practice available at this time.
29. The financing arrangements have been structured in accordance with state aid law. The Council will need to continue to monitor interest rates to ensure state aid law requirements continue to be met. These arrangements were put in place prior to exiting the EU – so subsidy control (previously called state aid) will apply.
30. The Council needs to continue to ensure that as the companies develop the governance arrangements for the companies are robust, transparent and fit for purpose.

Workforce Implications

31. There are no direct workforce implications stemming from this report.

Options Considered

32. The options available to the Audit & Governance committee are to note or not the report and to comment or not on the governance arrangements in place and being completed.

Conclusions

33. This report presents the governance arrangements for the Stone Circle companies for noting and commentary by the Committee.

Report Author:

Perry Holmes, Director of Legal & Governance / Monitoring Officer
Amy Williams, Senior Solicitor (Commercial)

Date of report 27th September 2022

Appendices

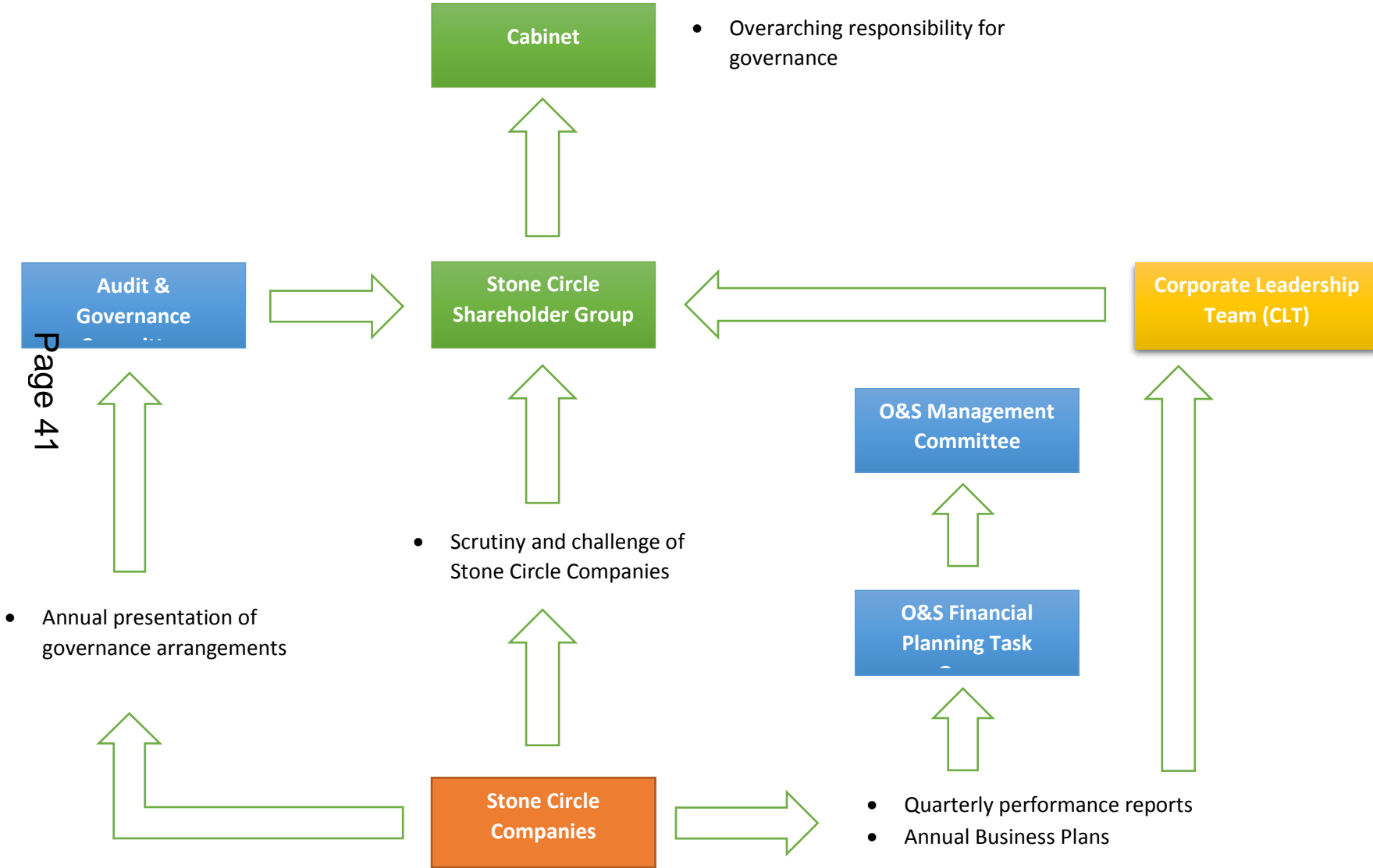
Appendix 1 Stone Circle governance diagram

Background Papers

None

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Stone Circle Governance Diagram



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Wiltshire Council

Audit & Governance Committee

27 September 2022

Risk Management Update

Purpose of Report

1. To provide assurance to the committee that the Council's risk management process is in place and functioning correctly.
2. To provide an update on the application of the process and plans.

Relevance to the Council's Business Plan

3. The Business Plan assures that the Council will implement a robust corporate planning cycle, including performance and risk management, as part of creating an efficient and healthy organisation.
4. In describing the work of the Council, the Business Plan suggests that 'we enable sensible risk-taking and regularly report on the progress of delivering the business plan outcomes'. This risk process being reviewed is designed with that statement in mind.

Background

5. The role of the Audit and Governance Committee, in relation to the Risk Management process and as described in the Council's Performance and Risk Management Policy, is to monitor and review the effective development and operation of risk management. Review of the risks themselves (the contents of the risk registers) is the responsibility of the Overview and Scrutiny Management Committee (OSMC).
6. Performance and risk are being reviewed by scrutiny during their September meeting.
7. The Council's standard risk management process, as described in the Performance and Risk Management Policy, had been suspended from March 2020 due to the Council's activity being focused on responding to the pandemic. The process was not removed but suspended and attentive processes were put in place. These processes linked to the emergency command structure the Council was operating and required more frequent review.
8. As the emergency pandemic response came to an end, measures were put in place to revive the standard risk process. As around 20 months had elapsed, it was not appropriate to simply 'switch back on' the stalled process. The focus of the Council's work, the impact of external factors and council structures and personnel had all changed in that time and the risk, and our understanding of it, had also changed.
9. The reestablishment of the risk process coincided with the formation of the Council's new Business Plan for which directorate level service plans were written. The opportunity was taken to collect risk information from these and combine it with the existing risk information and live risks from the final pandemic response register. This

combination was used as the basis for a full risk review in each directorate, and internally assessed and challenged by the Corporate Leadership Team.

- 10. Risks from across the Council have been identified, defined and scored in quarter one and again in quarter two of this financial year. The most recent review (in the current quarter) was used to form the Strategic Risk Register that went to September’s Cabinet (Appendix 1).
- 11. In accordance with the policy and the guidance, fully defined risks include a cause, an event and an effect and are owned by an individual in the Council. They must also have a primary category (one of Health & Safety, Legal, Staffing/ People, Financial, Service Delivery or Reputation) which will define the appetite applied to the risk.
- 12. In order to be correctly measured each risk is scored twice. Once as inherent (the risk as it is now with existing controls) and secondly as residual (as it would be if all planned additional mitigating actions were successfully completed). A scored risk also requires an assessment of confidence in the application of mitigating actions.

Developments

- 13. The full risk review that coincided with the development of the Business Plan allowed the team to implement changes to the risk management process to improve the organisations understanding.
- 14. The very act of redefining each risk line allowed the team to ask whether what was being defined was a future possible outcome or a current issue. A number of lines that had existed on registers for over a year were therefore removed or redefined.
- 15. In a similar vein, it was questioned whether each line was an actual business risk and consequently a risk to the delivery of the Council’s stated aims. To that end, each risk was linked to either one of the Business Plan’s 10 Missions or to the aim of becoming an efficient and healthy organisation. This step allows the organisation to view risk against its planned ambitions.
- 16. The requirement to define a response to each risk had been introduced previously but had not been fully implemented. The full review allowed a completion of that implementation.
- 17. In accordance with the Risk Management Guidance each defined risk has one of the following responses:

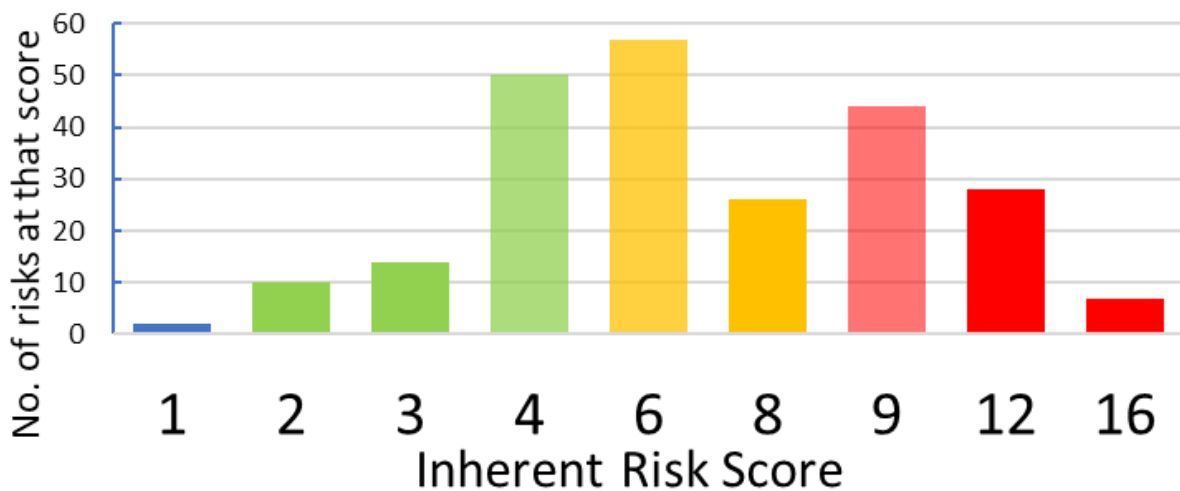
| | |
|-----------------|---|
| Treat | Taking action to minimise the likelihood of an event occurring and / or to minimise its impact should it occur. This will require defined actions to be allocated to individuals, implementation dates agreed and progress to be monitored. |
| Transfer | Transfer the risk to another party either by insurance or through a contractual arrangement. Responsibility for statutory functions cannot be fully transferred. The reputational implications of risks need to be managed since these cannot be transferred. |
| Tolerate | Decide that the risk is acceptable and make proper financial arrangements should it occur. Current ‘ongoing’ controls/ mitigating actions will need to be monitored. |

| | |
|-------------------------|---|
| Terminate | Where feasible, stop doing whatever it is that causes the risk, use alternative products/change processes. |
| Take opportunity | Consider other gains that may be made by applying the risk controls envisaged. These may have a positive impact beyond the activity being assessed. |

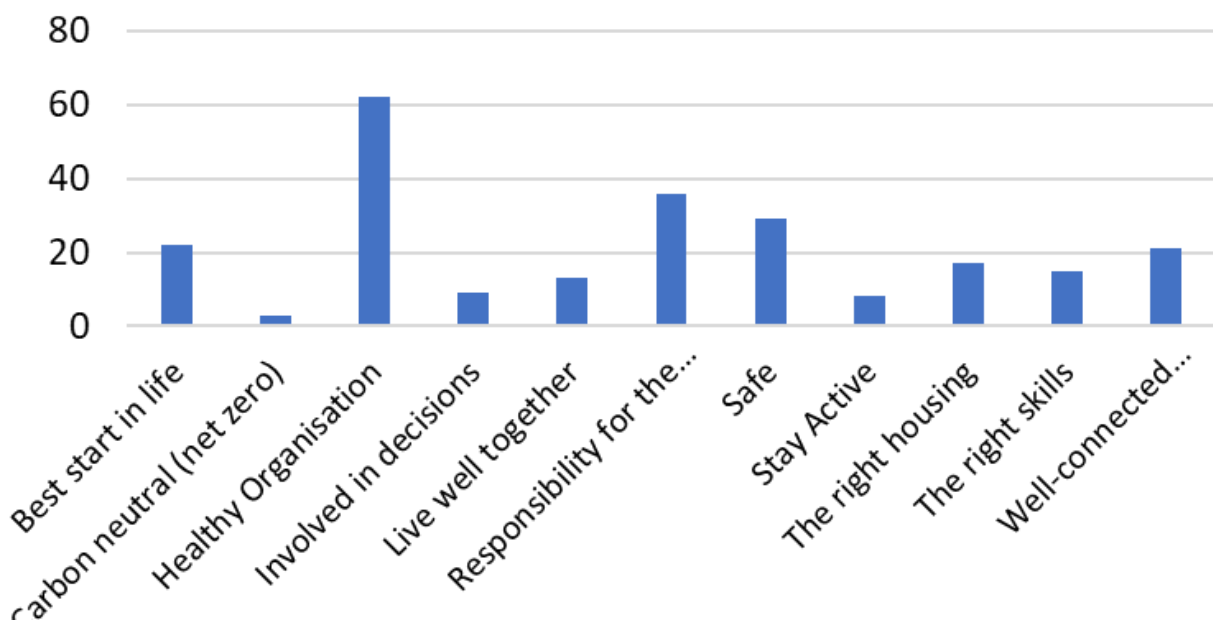
Current Risk Status

18. There are a total of 259 risks recorded over 17 directorate risk registers and one national risk register.

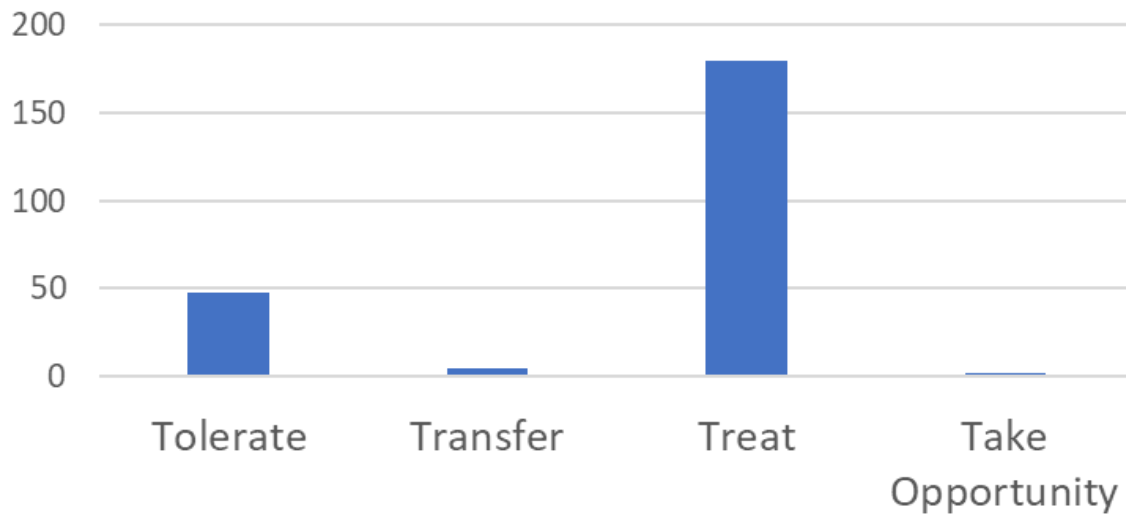
19. The spread of inherent risks scores is to the middle and upper end of the range. This is to be expected as lower-level risks are often given less consideration.



20. There is a fair spread of risks over the 10 Business Plan missions but, as expected with business risks, the most significant link is against the Healthy Organisation ambition.



21. The majority of risks have the response type of 'treat' (to attempt to bring down the level of risk through mitigating actions) but there is a substantial minority (around 50 risks) where the Council is not investing more in mitigating the risk but is accepting the risk as it is, noting that risks that are to be tolerated must fall within the prescribed appetite.



Future Developments

22. Future risk summaries will feature the Council's revised response to national-level risks. This will be completed in partnership with the Local Resilience Forum who will produce a Wiltshire response to the National Risk Assessment when it is published.
23. An exercise is also being undertaken with the Extended Leadership Team to ensure that items that the risk that do get elevated onto the Strategic Risk Register are reflective of the live and dynamic nature of council services.
24. Full action plans are not yet in place in every appropriate circumstance. This process requires review in order to ensure that the resource put in to action planning risk response is valuable and will lead to better outcomes.
25. The Performance and Risk Management Policy was agreed in 2019 and needs review in the next 12 months. No major changes are expected but roles and responsibilities will be considered in light of the Council's current structure.
26. This will also give Cabinet the opportunity to review the risk appetite at the same time and this Committee and OSMC may also have an input into the review process.

Proposals

27. The Committee is asked to note the update provided and consider how it would wish to review the risk management process in the future.

Perry Holmes, Director of Legal and Governance

Report Author: Toby Eliot, Corporate Support Manager, toby.eliot@wiltshire.gov.uk

September 2022

Appendices

Appendix 1 – Strategic Risk Register at Q2 2022/23

Background Papers

Wiltshire Council Performance and Risk Management Policy, February 2019
2020 Risk Management Guidance 'How to Manage Risks'

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Wiltshire Council Strategic Risk and Issues Summary - 2022/23 Quarter One

This summary gives details of issues the council is dealing with, the strategic risk register and the emerging risk that may need to be quantified in the future. A guide to reading the risk register is included at the back of this summary.

Issues

Obstacles and Challenges that are now present and being managed as issues by Wiltshire Council

Macro economic pressures on our budgets: Inflation Nationally, we are facing a 'cost of living crisis' and inflation has experienced a significant increase above that forecast in the budget. As part of the final financial outturn reporting the Council took the opportunity to prudently set aside reserves to offset the unforeseen costs of inflation likely to arise in 2022/23, with £7m set aside for Contractual Inflation & £2m set aside for Pay Inflation to address the in-year pressure.

Staff Capacity: Recruitment and retention Some, but not all service areas, have identified that this has now become an issue.

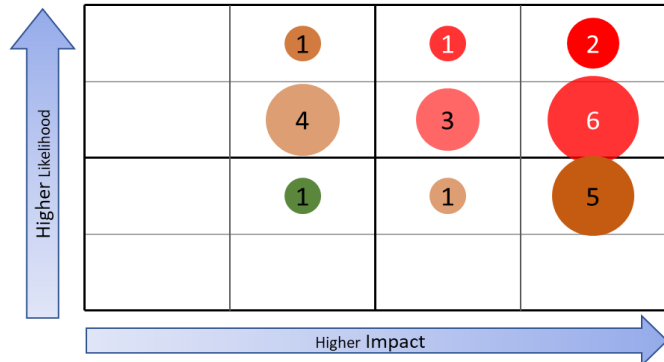
There are a range of factors at play in different labour markets. These include:

- A smaller national workforce (less European immigration, earlier retirement/semi-retirement following the pandemic, increased numbers of those on out of work benefits) and closer to full employment.
- Specific skills shortages.
- Competition from the private sector and from other public sector organisations.
- The impact of the increase in the cost of living making higher wages more important.
- The cost increase of driving for those who have to travel in their role.

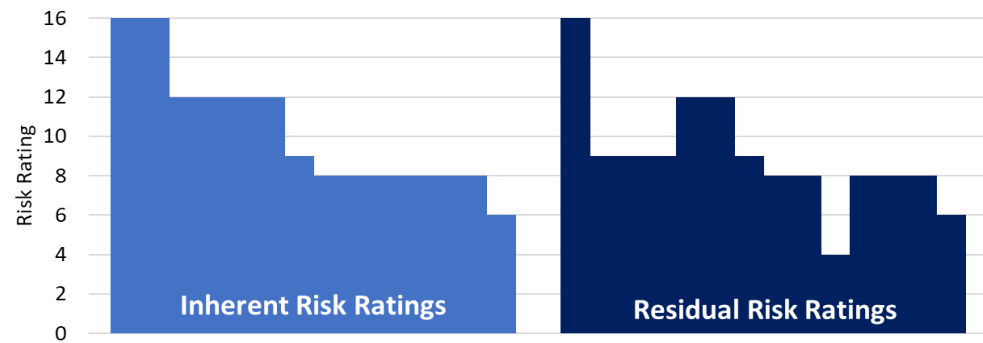
The result is that some services are now impacted by insufficient staffing.

Risks on the Strategic Risk Register

Size of the bubble represents the number of risks in that position



The potential reduction of risks on the Strategic Risk Register with planned mitigation



| Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey | | | | | | | | | | | | | | | | | | |
|---|--|---|---|---|-------------------------|------------------|---------------|--------------------|------------------------|--------------------|--------|-------------------|-----------------------|--|--------------------|------------------------|--------------------|----|
| Risk short name | Cause | Event | Effect | Primary Risk Category | Secondary Risk Category | Owner | Risk Response | Q2 Inherent Impact | Q2 Inherent Likelihood | Q2 Inh Risk Rating | Q2 DoT | Appetite check Q2 | Q2 Mitigation Actions | Q2 Actions Confidence | Q2 Residual Impact | Q2 Residual Likelihood | Q2 Res Risk Rating | |
| 1 | Unable to meet demand for special educational needs or disability (SEND) | Cost of provision exceeds the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) | More of the DSG spent on providing education for SEND | Shortfall in the funding for schools | Financial | Legal | Helean Hughes | Treat | 4 | 4 | 16 | ▶ | Outside | We remain in frequent dialogue with the DfE and will be starting joint work with them on their Delivering Better Value (DBV) Outcomes programme in the autumn which will enable some support and challenge in relation to this area. | Low | 4 | 4 | 16 |
| 2 | Lack of capacity in the social care market | Changes in the local market (including recovery from the pandemic) means there is insufficient supply of Home Care, Independent Fostering Agencies, Children's Homes, provision for complex needs (including people with complex behavioural needs) | Too often provision has to be secured out of county, often in competition with other local authorities at a cost higher than the local market | The right type of care is not always available, people able to be discharged have to wait longer in hospital and budgetary pressure increases if people are placed in out of county or spot provision | Service Delivery | Financial | Helen Jones | Treat | 4 | 4 | 16 | ▶ | Outside | Block purchased day care. New tender going live in September. Still issues about sufficiency and handbacks | Low | 3 | 3 | 9 |
| 3 | Uncontrolled cost of social care (predominantly adults) | Changes in regulation (including the cost of increased infection prevention & control measures), workforce pressures and inflationary pressures in the care market | Each individual care package cost increases | Greater budgetary pressure to meet statutory requirements impacting on preventative and other spend | Financial | Service Delivery | Helen Jones | Tolerate | 3 | 4 | 12 | ▲ | Within | Identified inflationary pressures-going to Cabinet in September | Moderate | 3 | 3 | 9 |
| 4 | Failure to manage housing development | Lack of a 5 year land supply | Loss of control over the location of new development | Non-plan led housing development may be granted consent through the appeal process; Allowing development where we don't want it; Increase in costs - defending appeals; Pressure on staff. | Legal | Reputation | Jean Marshall | Treat | 4 | 3 | 12 | ▶ | Outside | Updated our 5 year land supply in April. Development Management teams are seeking to approve applications where there are no major policy obstacles, Spatial Planning continue to support neighbourhood plans to bring forward housing sites, in addition to encouraging developers to bring forward allocated sites. We do have an improved position, but still short of the 5 years. Progress on the local plan is still being given a priority. | Moderate | 3 | 3 | 9 |
| 5 | Cyber Resilience | Malicious attacks from either internal or external individuals or organisations with the intent of stealing data or impacting the council's ability to deliver services. | Wiltshire Council's security is compromised opening up access to councils systems and personal and corporate data for malicious activity. | Loss of personal or corporate information OR loss or interruption of some or all council services delivered to citizens of Wiltshire. | Service delivery | Reputation | Mark Tucker | Treat | 4 | 3 | 12 | ▶ | Within | Working towards National Cyber Security Centre essential level of practice, Making uses of internal audit process to keep on top of required developments. | High | 3 | 3 | 9 |

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

| Risk short name | Cause | Event | Effect | Primary Risk Category | Secondary Risk Category | Owner | Risk Response | Q2 Inherent Impact | Q2 Inherent Likelihood | Q2 Inh Risk Rating | Q2 DoT | Appetite check Q2 | Q2 Mitigation Actions | Q2 Actions Confidence | Q2 Residual Impact | Q2 Residual Likelihood | Q2 Res Risk Rating |
|---|---|--|--|-----------------------|-------------------------|-----------------|---------------|--------------------|------------------------|--------------------|--------|-------------------|---|-----------------------|--------------------|------------------------|--------------------|
| 6 Pandemic influenza | Influenza strain that is highly transmissible and with a high mortality rate. | Up to 2.5% death rate Up to 50% population infected | Strain on death management system Requirement for body storage Business continuity of services Managing distribution of prophylactics | Health & Safety | | Kate Blackburn | Treat | 4 | 3 | 12 | ▶ | Outside | NATIONAL RISK - RATINGS DO NOT CHANGE AT LOCAL LEVEL. Plan updated against latest national guidance | High | 4 | 3 | 12 |
| 7 Flooding | Heavy rain and/or saturated ground. | Houses flooded Businesses flooded Roads blocked Infrastructure damaged Contamination of water supply | Homeless and vulnerable people need evacuation/accommodation Infrastructure repair or replacement Loss to local economy Transport networks disrupted Public Health issues Environmental damage Business continuity of services | Health & Safety | | Parvis Khansari | Treat | 4 | 3 | 12 | ▶ | Outside | NATIONAL RISK - RATINGS DO NOT CHANGE AT LOCAL LEVEL. Plan updated against latest national guidance | High | 4 | 3 | 12 |
| 8 Impact of negative media/social media coverage on council | Potential negative reaction to council decision making and delivery of services. | Negative public reaction expressed via social media and through the media | Negative impact on council's reputation. | Reputation | Reputation | Perry Holmes | Tolerate | 2 | 4 | 8 | ▲ | Within | | High | 2 | 4 | 8 |
| 9 Ability to deliver an effective response and implementation of the Local Authority Outbreak Management Control Plan | Public health agencies remain in response to pandemic without additional funding | A variant of concern emerges that causes greater levels of illness and rising case numbers | Lack the capacity in the workforce meaning business as usual unable to run while Outbreak Plan put into place. | Service Delivery | Staffing/ People | Kate Blackburn | Treat | 4 | 2 | 8 | ▶ | Within | Forward planning on health protection roles using Contain Outbreak Management Fund and flexibility across the team means mobilisation for outbreak support will be maintained. | High | 4 | 2 | 8 |
| 10 Failure in Safeguarding Children | The council and / or multi-agency partners failing to follow procedures or to undertake a thorough assessment | The council and / or multi-agency partners providing inappropriate intervention or no intervention. | Children not being protected from harm. | Service Delivery | Reputation | Lucy Townsend | Treat | 4 | 2 | 8 | ▲ | Within | 1. Workforce strategy in place to aid recruitment and retention of practitioners. 2. Quality Assurance Framework in place which assures monitoring of performance (qualitative and quantitative). 3. Increased resource directed into the Integrated Front Door to effectively manage the increase in referrals and ensure consistent threshold application, thus preventing unnecessary escalation into statutory service where there is more pressure on workforce i.e. social workers. 4. Continued prioritisation of the family help/hub agenda, including consideration of commissioning efficiencies. | High | 2 | 2 | 4 |

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

| Risk short name | Cause | Event | Effect | Primary Risk Category | Secondary Risk Category | Owner | Risk Response | Q2 Inherent Impact | Q2 Inherent Likelihood | Q2 Inh Risk Rating | Q2 DoT | Appetite check Q2 | Q2 Mitigation Actions | Q2 Actions Confidence | Q2 Residual Impact | Q2 Residual Likelihood | Q2 Res Risk Rating | |
|---|--|---|--|-----------------------|-------------------------|-----------------|---------------|--------------------|------------------------|--------------------|--------|-------------------|---|-----------------------|--------------------|------------------------|--------------------|---|
| 11 Widespread electricity failure | Infrastructure fault or severe weather. | Loss of electricity | Danger to health due to loss of heating Loss of some telephone communication Loss of access to food shops Loss of access to cash machines Loss of access to fuel | Health & Safety | | Parvis Khansari | Tolerate | 4 | 2 | 8 | ▶ | Within | NATIONAL RISK - RATINGS DO NOT CHANGE AT LOCAL LEVEL. Plan updated against latest national guidance | High | 4 | 2 | 8 | * |
| 12 Catastrophic terrorist attacks | Radicalisation Extremist views | Attack of public places, events or infrastructure | Loss of life Fear in the community loss of infrastructure Increased community tension | Health & Safety | | Terence Herbert | Treat | 4 | 2 | 8 | ▶ | Within | NATIONAL RISK - RATINGS DO NOT CHANGE AT LOCAL LEVEL. Plan updated against latest national guidance | High | 4 | 2 | 8 | * |
| 13 Poor air quality events | Pollution and/or extreme weather events. | Particulate or chemical release from industry or caused by fires Severe weather events carrying pollution or particles in the air. | Increase in respiratory issues Leading to increase in hospital admissions | Health & Safety | | Kate Blackburn | Tolerate | 4 | 2 | 8 | ▶ | Within | NATIONAL RISK - RATINGS DO NOT CHANGE AT LOCAL LEVEL. Plan updated against latest national guidance | High | 4 | 2 | 8 | * |

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

| Risk short name | Cause | Event | Effect | Primary Risk Category | Secondary Risk Category | Owner | Risk Response | Q2 Inherent Impact | Q2 Inherent Likelihood | Q2 Inh Risk Rating | Q2 DoT | Appetite check Q2 | Q2 Mitigation Actions | Q2 Actions Confidence | Q2 Residual Impact | Q2 Residual Likelihood | Q2 Res Risk Rating | |
|-----------------|---|--|--|--|-------------------------|------------|----------------|--------------------|------------------------|--------------------|--------|-------------------|-----------------------|---|--------------------|------------------------|--------------------|---|
| 14 | [Composite] Information Governance | Failure to manage information effectively in keeping with Data Protection Act Principles leading to reportable incidents and potential data breaches | 1. Personal Information not obtained and / or processed fairly 2. Excessive information obtained and held beyond service purpose 3. Information held for longer than purpose requires 4. Information not accurately captured / maintained or kept current 5. Information not protected by adequate technical measures 6. Sensitive information inappropriately disclosed either verbally, on paper or electronically. | Unlawful use and / or disclosure of personal data results in Risk and distress to individuals concerned, potential fines from Information Commissioners Office (ICO), reputational damage and loss of confidence in the authority. | Legal | Financial | Perry Holmes | Tolerate | 3 | 2 | 6 | ▶ | Within | | High | 3 | 2 | 6 |
| 15 | [Composite] Income Collection | Decrease in levels of income due to lower payment rates, take up of services or increase default rates | Failure to collect income as expected and budgeted for | Increased financial pressure on other service areas in order to deliver a balanced budget across the Council as a whole which results in cuts to those other services spend. | Financial | Reputation | Lizzie Watkin | Treat | 2 | 3 | 6 | ▶ | Within | Additional budget monitoring with all heads of service | High | 2 | 2 | 4 |
| 16 | [Composite] Corporate Health, Safety & Wellbeing | Inadequate or ineffective control strategy is established | Lack of application by managers and individuals of corporate policy and procedures | Likelihood of personal harm increases. | Health & Safety | | Kate Blackburn | Tolerate | 2 | 3 | 6 | ▲ | Within | Increasing availability of manager training. Seeking improved means to inform employees about | High | 2 | 2 | 4 |
| 17 | Hospital discharges resulting in high cost and highly restrictive packages of care | Increase in number people needing to be discharged from hospital not being discharged | Challenge from external partners on the quality/quantity of available provision | Increase in out of county placements and / or high cost packages, hospital beds being unavailable for others with complex needs. | Service delivery | Financial | Claire Edgar | Treat | 2 | 3 | 6 | ▶ | Within | Liaison with health partners. Weekly Community Team for People with Learning Disabilities (CTPLD) update call with health and Dynamic Support Register (DSR) meetings. Accommodation needs shared with commissioning to inform strategy. MADE events identifying discharge pathway plans. | Moderate | 2 | 2 | 4 |

Strategic Risk Register - ranked by Inherent Risk Score (the risk as it is now), national level risks shown in grey

| Risk short name | Cause | Event | Effect | Primary Risk Category | Secondary Risk Category | Owner | Risk Response | Q2 Inherent Impact | Q2 Inherent Likelihood | Q2 Inh Risk Rating | Q2 DoT | Appetite check Q2 | Q2 Mitigation Actions | Q2 Actions Confidence | Q2 Residual Impact | Q2 Residual Likelihood | Q2 Res Risk Rating |
|---|--|---|--|-----------------------|-------------------------|-----------------|---------------|--------------------|------------------------|--------------------|--------|-------------------|-----------------------------------|-----------------------|--------------------|------------------------|--------------------|
| 18 [Composite] Budget management | New unfunded project, unforeseen demand or failure to make planned savings | Inability to deliver key statutory services within the service-level budget envelope | Increased financial pressure on other service areas in order to deliver a balanced budget across the authority as a whole which results in cuts to those other services spend. | Financial | Reputation | Lizzie Watkin | Treat | 2 | 3 | 6 | ▶ | Within | New planned savings delivery work | High | 2 | 2 | 4 |
| 19 [Composite] Not on track for the Council to be carbon neutral by 2030 | Lack of prioritisation for carbon reduction by other council departments | Financial considerations mean decisions are made not to undertake carbon reduction activity | Wiltshire Council fails to be carbon neutral by 2030 | Service Delivery | Reputation | Parvis Khansari | Tolerate | 2 | 2 | 4 | ▲ | Within | | High | 2 | 2 | 4 |

* There are occasions where the planned or available mitigation does not reduce the overall risk rating.

Emerging Risks

Events that have the potential to interrupt the work of the Council but of which not enough is yet known to quantify the risk to the delivery of our services.

| | |
|---|--|
| Financial impact of global events | <p>International capital and energy markets impacted by conflict and speculative investment adding additional inflationary pressure in the UK.</p> <p>Disruption to global supply chains causing shortages, more inflation and potentially more demand for support of council services.</p> <p>A more uncertain world means a more insular economy and lower UK market sentiment meaning less investment in Wiltshire.</p> |
| Change of Government approach in the UK | <p>The commitment of a new PM and Cabinet from September, or a whole new government in two years, to programmes of work, expenditure and taxation. Changes in policy resulting in required change of emphasis for the Council.</p> <p>One such change might be the review of the Bank of England mandate and the setting of interest rates becoming politicised.</p> <p>Another might be a change in commitment to locally planned and delivered social services..</p> |

How to read the strategic risk register

There are significant challenges for Wiltshire Council as it looks to empower people, build stronger communities, grow the county's economy and lead the way in tackling climate change. The Strategic Risk Register reflects these challenges.

The Strategic Risk Register draws together information recorded on risk registers of individual services across Wiltshire Council.

Information that has significance across the council as a whole is displayed in two categories on the Strategic Risk Register.

1. Critical service risks: significant risks that sit in a single service but which, should they become an issue, will have a significant impact on the council as a whole.
2. Composite strategic risks: where similar risks exist in a number of different services which would not have a significant impact on the organisation on their own but put together represent a significant impact. These risks are compiled into a single strategic composite risk and included within the strategic risk register. These risks are scored by reviewing the service component risks.
3. National level risks: Wiltshire Council's response to the risks recorded by central government on the National Risk Register (NRR). The updated NRR is due to be published in the near future. When it is, Wiltshire Council will work within the Local Resilience Forum to produce an appropriate response. In the meantime Wiltshire Council's pre-existing response to the previous NRR is shown in the grey rows above.

Each risk is fully defined by the responsible service (who assess the cause, event and effect that make up the identified risk).

Each risk is scored for impact and likelihood to give an overall score. A risk is scored twice; firstly, as inherent (the current level of risk) and then as residual (the risk as it would be once all the planned mitigating actions are in place).

The confidence in the implementation of these mitigating actions is assessed as high, moderate or low. This guides the reader of the register to understand the true current risk.

A whole range of service risks are kept under observation each quarter.

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Wiltshire Council

Committee Name – Audit and Governance Committee

Meeting Date - 27th September 2022

Update: Exemptions and Category Management Audits

Purpose of Report

1. The purpose of this report is to provide an update to the Audit and Governance Committee in respect of the general progress that has been made within the Commercial and Procurement Team, an update on the following two audits:
 - a. Exemptions
 - b. Category Management

Relevance to the Council's Business Plan

2. This report directly supports the Council's Business plan. Section 5 of the Business plan states that we will be an 'efficient and healthy organisation' and that we strive to the 'highest performing Council in the country'
3. By delivering against the transformation Plan and the audit actions (as set out and referenced below) The Commercial and Procurement Team will be supporting the Council to achieve this by:
 - a. Achieving a high level of compliance
 - b. Being innovative in our approach to procurement and how that can support the Council to deliver other elements of the Business plan
 - c. Delivering value for money solutions for the goods and services that the residents of Wiltshire receive.

Background

4. The Commercial and Procurement Team underwent a restructure in early 2022, with the new structure commencing on the 01st of April 2022. Alongside that the Commercial and Procurement Team made a commitment to deliver an ambitious Transformation Plan. Using the Transformation Plan as the basis the Commercial and Procurement Team have developed a Service Plan (attached at appendix 1) that captures planned activity to take place this year.
5. The Service Plan captures actions that need to be undertaken to deliver the Transformation plan as well as items that were outstanding. Therefore, the actions associated with the Exemption audit and the Category Management audit have now fallen within the Service Plan for the Commercial and Procurement Team.
6. ***Commercial and Procurement Team – Transformation Plan***

The Commercial and Procurement Team (prior) to the restructure lacked a strategic vision and a robust commercial governance framework. As a result, this meant that direct tendering activity was, in most instances, reactive.

As the Commercial and Procurement Team was in this situation it meant that they were unable to (for example):

- a. Keep up with changes in legislation and or best practice
- b. Be consistent across the team with advice and support to teams across the Council
- c. To have a consistent approach to Social Value and other legislation

The Exemption and Category Management audits demonstrated the above.

7. Exemptions Audit

The final Exemptions Audit, requested in 2021 and published in April 2022, gave an overall assurance opinion of 'Limited'. Historically there was poor control and understanding of the Exemption process and when it is (or is not) appropriate to use an Exemption to award contracts for the provision of goods and or services. The key findings were:

- a. The number of Exemptions was excessive due to improper use
- b. Contract end dates and spend of Exempted contracts was not being monitored
- c. The competence framework for officers needed reviewing to ensure that it met with Cabinet Office instructions

A summary of the actions and progress can be located at appendix 2.

8. Category Management Audit

9. The final Category Management Audit, requested in 2021 and published in April 2022, gave an overall assurance opinion of 'Limited'. The key findings were:

- a. The lack of an overarching Category Plan strategy meant that there was not a consistent approach to the plans and as a result did not link to the Council's corporate goals
- b. None of the Category Plans reviewed were complete and there was no formal sign off process
- c. Detailed financial information was not available which meant that Category Plans could not accurately project savings and or efficiencies with any certainty. This in turn meant that, sometimes, financial information was not presented correctly.
- d. Teams across the Council did not understand the role of the Category Manager and how Category planning and advice should be provided
- e. There was no mechanism to share changes in legislation

A summary of the actions and progress against is attached at appendix 2

Main Considerations

10. This report provides an update which describes how the Commercial and Procurement Team is doing in respect of delivery against the Transformation/Service Plans.

11. Commercial and Procurement Team – Transformation Plan/Service Plan

12. Work is now well underway and the Commercial and Procurement Team expect to deliver what has been set out whilst managing the peaks and troughs created by direct tendering activity.

13. A review of the procurement process has taken place and as a result a new 'end to end' process has been created. To support the implementation a full review of procurement documentation is taking place. This will provide a consistent way of delivering procurement activity whilst also support the Commercial and Procurement Team to meet its audit actions.

14. The Socially Responsible Procurement Policy (SRPP) has been developed and consulted on. It is being received positively and marks a significant step forward for the Commercial and Procurement Team. It is now due to be discussed at Cabinet Liaison before going to Cabinet for discussion.

15. ***Exemptions Audit***

16. The Commercial and Procurement Team have been working to redefine the meaning of Exemptions within the Council to ensure that the process is used appropriately and consistently.

17. A draft of the definition has been created and the Commercial and Procurement Team will work collaboratively with their Legal colleagues and other relevant stakeholders to bring the definition and process into policy.

18. There may be a need to amend the Constitution and other associated documents. Where this is the case the Commercial and Procurement Team will work with the relevant stakeholders and governance arrangements to make the necessary arrangements.

19. It should be noted that whilst we have yet to agree and bring to policy the new definition and approach to Exemptions, which we will be known as Exceptions to Competition, The Commercial and Procurement Team have changed the way in which they work and as a result there has been a significant reduction in the number of Exemptions that have been approved (table 1).

20. The Commercial and Procurement Team has been able to reduce the number of Exemptions by:

- a. Addressing the way in which advice is given to service areas
- b. Being consistent in their approach to how and when an Exemption should be sought
- c. Continuing with the Exemptions Panel, but with a slightly changed approach following the restructure
- d. Ensuring that appropriate sign off and where necessary, and as set out in the constitution, approval from, Director Legal and Governance / Monitoring Officer and Corporate Director Resources & Deputy Chief Executive (S.151 Officer)

Exemption Comparison 2021 to 2022

1st April 2022 to 31st August 2022

Number of Exemptions: 15

Maximum Exemption Spend Value: £20,324,056.61

The following three exemptions account for £19,712,195:

| | |
|--|-------------------|
| 3 contract extensions for property maintenance, boilers & electricals | £1,650,000 |
| Help to Live at Home Alliance | £11,387,945 |
| Passenger Transport Unit - Dynamic Purchasing System extension | £6,674,250 |

1st April 2021 to 31st March 2022

Number of Exemptions: 69

Maximum Exemption Spend Value: £25,218,417.61

Table 1

21. Category Management Audit

22. Progress has been good in respect of the Category Management audit actions. Working with the Commercial Board, suggested Category Plans have been discussed. During the forthcoming meetings we will refine and evolve the format and what data should be presented.
23. Category Plans will be presented to the Commercial Board, in collaboration with service areas, where they will be discussed and agreed. The aim, through that discussion, is to agree a longer term (strategic) approach to activity within a category so that we maximise opportunities and minimise risks.
24. A 12-month rolling programme will be delivered to Commercial Board of regular presentations of Category plans to be agreed as well as reviewed at Commercial Board.
25. The Commercial and Procurement Team will provide a suggestion as to which category will be presented and when. There will need to be agreement, through discussion at Commercial Board, about how we profile category areas deciding, which areas should be brought forward for discussion at Commercial Board. Currently the decision is driven by value (with known risks and issues helping to inform the decision). Therefore, our next steps which involve the creation of a policy so that a consistent approach to category planning, will be to explore risk profiling options that can be used.
26. Categories are selected, as stated above, based on known risks and value. Attached at appendix 3 is a breakdown of our high-level category areas with spend. This has been produced to illustrate how the Council spends its money and will be updated as work is undertaken to refine the figures ensuring their accuracy.

Overview and Scrutiny Engagement

27. No engagement has taken place in with overview and scrutiny.

Safeguarding Implications

28. There are no direct safeguarding implications as a result of this report. This report provides an update on audit actions to be completed by the Commercial and Procurement Team in respect of the audits for Exemptions and Category Management. These audits have no direct impact on the safeguarding of vulnerable people.

29. The Socially Responsible Procurement Policy will have an impact in helping the Council to meet its obligations in respect of the safeguarding of vulnerable adults which will be identified as part of that work.

Public Health Implications

30. There are no direct public health implications as a result of this report. This report provides an update on audit actions to be completed by the Commercial and Procurement Team in respect of the audits for Exemptions and Category Management. These audits have no direct impact on the safeguarding of vulnerable people.

31. The Socially Responsible Procurement Policy will have an impact in helping the Council to meet its obligations in respect of public health implications which will be identified as part of that work.

Procurement Implications

32. There are no expenditure implications directly associated with this report.

33. Through the work being delivered as part of the Transformation Plan the Commercial and Procurement Team are developing a robust framework under which they will be able to:

- a. Achieve a higher level of compliance with regulation in respect of direct tendering activity
- b. Be consistent in the way that procurements are approached and when providing advice
- c. Develop and keep up to date with our obligations in respect of Social Value to maximise the benefits that it can bring.
- d. Drive the team forward so that it is a supportive and innovative function of the Council.

34. Through delivering the audit actions the Commercial and Procurement Team will have a consistent and robust approach to Exemptions that will continue the trend of reduction.

35. Category Plans will become a tool with which we will be able to plan procurement activity strategically. This will allow the Council to benefit both financially and through efficiencies as we will be able to maximise opportunities, minimise risks and plan for effectively for the future.

Equalities Impact of the Proposal

36. An equalities impact assessment has not been conducted as the report is an update on progress made against outstanding audit actions.

Environmental and Climate Change Considerations

37. There are no direct environmental and climate change implications as a result of this report. This report provides an update on audit actions to be completed by the Commercial and Procurement Team in respect of the audits for Exemptions and Category Management. These audits have no direct impact on the safeguarding of vulnerable people.
38. The Socially Responsible Procurement Policy will have an impact in helping the Council to meet its obligations in respect of environmental and climate change considerations which will be identified as part of that work.

Workforce Implications

39. There are no workforce implications for the Council as a result of this report.

Risks that may arise if the proposed decision and related work is not taken

40. No decision required

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

41. No decision required

Financial Implications

42. There are no financial implications relating to this update

Legal Implications

43. There are no direct legal implications as this provides an update on activity against audit actions for the Commercial and Procurement Team. However, it should be noted that work to address the audit actions and the Transformation/Service plan will see the Commercial and Procurement Team achieve a higher level of compliance against regulation and internal governance.
44. The Commercial and Procurement Team are working in collaboration with our Legal colleagues on the relevant aspects of the Transformation Plan/Service Plan. This is with regard to our commitments in respect of:
- a. Part 10 of the Constitution
 - b. Relevant legislation including, but not limited to, the Public Contract Regulations 2015 and associated case law
 - c. Upcoming changes in law, The Procurement Bill

Options Considered

45. No other options have been considered as this paper provided as an update

Proposals

46. There are no proposals as result of this paper as it provides an update from the Commercial and Procurement Team to the Audit and Governance Committee.

Helen Jones, Director of Procurement and Commissioning

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Date of report

Appendices

Appendix 1 – Service Plan

Appendix 2 – Audit Progress Overview

Appendix 3 – Where The Money Goes

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Service Plan 2022/23 – Commercial & Procurement Team

Version 4.01 – Updated 25 August 2022

1. Purpose of service area

Purpose of Commercial & Procurement Team

A commercially aware Procurement function which facilitates the delivery of optimum value for money and key in delivering the Councils services, budgetary and wider Business Plan objectives.

Purpose of Policy, Development, Insight and Capability (PDIC) function

This function will develop and implement a Procurement Strategy to drive Transformation forward by designing policies to ensure compliance with National Policies, linking in with Wiltshire Councils strategic objectives and standardising procurement decision making governance processes.

Its primary focuses will be on Social Value; Net Carbon Zero; Modern Slavery; developing the governance process for the function of Commercial Board; implementing an End to End process, with a revised suit of documents to support this; review and implement all current SWAP Audit recommendations; contract management, skills and competency courses; and develop and deliver suitable e-procurement solutions across the Council.

Purpose of Supply Chain and Major Contracts (SC&MC) function

To deliver on time and within budget procurement solutions that support the Council in meeting its service delivery requirements. To take a commercial focus in tendering and contract management activity to ensure best value, evidenced based decision making and compliance to relevant legislation and policy.

The Supply Chain and Major Contract will develop and deliver commodity/category strategies that align with service areas/the Councils Business Plan and supports them to achieve their goals. Through this work we will provide oversight on the Council top suppliers by spend and risk, building a model for supplier risk profiling and developing business continuity plans.

The initial focus of the team will be to ensure that our contract and pipeline data is correct and up to date that we can meet our publication requirements, it will also allow us to engage with service areas to ensure that we have sight of their forward plan allowing us to plan for resourcing requirements.

2. Corporate plan priorities

| Ref | Project | Narrative | Strategic objective |
|-----|---------|-----------|---------------------|
|-----|---------|-----------|---------------------|

Service Plan 2022/23 – Commercial & Procurement Team

| | | | (appendix A) |
|-----------------------|---|--|--------------|
| Involved in decisions | Draft & implement Procurement Social Value Policy & plan | <p>Develop a Socially Responsible Procurement Policy which focuses on 6 key elements, aligned to Wiltshire Councils Business Plan and National Policy drivers, which will transform our procurement culture and align with the Social Value Act 2012.</p> <p>Introduce policy into the Contract Decision making process and into the tender process</p> <p>Devise a training programme to imbed policy throughout the organisation</p> | 8 |
| Involved in decisions | Draft & implement Procurement Net Carbon Zero Plan | <p>Develop a Procurement Net Carbon Zero Plan in line with Wiltshire Council's Climate Change Strategy in order to reduce our Value Chain emissions in line with Scope 3.</p> <p>Develop a Scope 3 calculator fit for purpose to allow us to introduce this within our tender and contract management review process, which will allow us to work with our suppliers in order to reduce our Value Chain emissions</p> <p>Provide training to support the implementation within the Procurement and Commissioning teams</p> | 8 |
| Involved in decisions | Implementing all current SWAP Audit recommendations | <p>Focus on implementing the actions recommended within reports, in alignment with procurement business objectives, to ensure that procurement processes are compliant with both the Council processes and statutory legislation.</p> <p>Develop a reporting mechanism of Audit actions</p> | 8 |
| Involved in decisions | Revamp Commercial Board (Terms of Reference & Membership) | <p>A complete review and refresh of the Procurement Governance overview to gain a holistic view of the procurement functions for us to define Commercial Board and its function.</p> <p>The aim will be to ensure that the Commercial Board, made up of senior Council staff, provide oversight of Council spend.</p> | 9 |

Service Plan 2022/23 – Commercial & Procurement Team

| | | | |
|-----------------------|---|--|----|
| | | The purpose of the board is to ensure that the Councils long terms strategic aims are supported by a Programme of innovative procurements for key contracts, delivering best value for the residents of Wiltshire | |
| Involved in decisions | Implement revised “end to end” process and standard documentation | Defining process roles and responsibilities of the commissioning and procurement lifecycle for a given project to ensure critical success factors and key deliverables are met through the process in order for key milestones to be met. | 9 |
| Involved in decisions | Devise and implement Commercial Assurance Mechanism | A formal Quality Assurance sign off at appropriate stages within the procurement cycle to ensure that projects are designed and delivered in accordance with best practice and are compliant with both the Council processes and statutory legislation. Procurement managers will be certified to sign off projects according to the risk profile of the project | 9 |
| Involved in decisions | Instigate refreshed “tender evaluation criteria & methodology” (& standstill) | There is a need to progress our approach to designing tenders to encourage new and different ways of doing things and not fitting the service into pre-set templates. We will look at how we develop methodologies and other evaluation methodologies and apply critical thinking to our own processes and methodologies to consider what approaches we can take. | 9 |
| Involved in decisions | Review effectiveness of the Exemptions Panel | There is a need to review and redefine exemptions as a whole to reduce the reliance on these within Wiltshire Council. By redefining the meaning, this will encourage the use of legally compliant procurement routes and a proactive culture. | 9 |
| Involved in decisions | Produce and maintain a list of Top 100 suppliers (by risk and value) for | To produce a list (and regularly update it) of our top 100 suppliers by risk and value. Currently there is nor formal risk profiling of suppliers and this will be developed as part of this work. | 15 |

Service Plan 2022/23 – Commercial & Procurement Team

| | | | |
|-------------------------|---|---|----|
| | publication and internal use | This will enable the Council to have a good view of supply base understanding where the risks are. | |
| Involved in decisions | Implement Procurement Pipeline & “Where the Money Goes” | The Council is required to publish its procurement pipeline in line with the National Procurement Policy Statement. By publishing the pipeline and reviewing and relancing ‘Where the Money Goes’ we will understand what procurement activity we have in the future and how that sits with ‘Where the Money Goes’. | 15 |
| Involved in decisions | Establish 3 tier Categorized Commodity Strategies aligned with ‘Where the Money Goes’ | Currently the Council has no formal commodity strategies (although category planning has taken place in pockets). This activity will see us produce commodity strategies that are aligned with ‘Where the Money Goes’ and service area plans. This will enable the Council to take advantage of opportunities and mitigate risks as they present themselves. It will also enable us to take a strategic and planned approach to our procurement activity which will produce better outcomes. | 15 |
| Involved in decisions | Agree policy for use of GCF & other consortia | At the moment the Council has no formal policy in respect of this, however we do use consortia from time to time. The development of a policy will see the Council take a consistent and robust approach to using them. | 15 |
| Involved in decisions | Ensure all savings & benefits are captured & regularly reported | Savings and benefits are captured withing Procurement Evaluation Reports (PER) when one is completed. A centralised way to capture and display savings and benefits needs to be developed which will enable regular reporting to Commercial Board and Senor Leaders. It will also help us to measure performance against targets that have been set (such as financial savings etc) | 15 |
| Involved in Discussions | Review all contracts and compile a business risk register/ Refresh supplier risk categorisation mechanism and reapply | Linked to creating a list of a top 100 suppliers we will create and compile a risk register so that we can identify and get ahead of risks to ensure business continuity. | 15 |

Service Plan 2022/23 – Commercial & Procurement Team

| 3. Risks | | | |
|---|--------|---|--------|
| Risk | RAG | Mitigation | RAG |
| As a newly developed team, there are still a number of vacant positions which are key to delivering these objectives | Yellow | External recruitment process now in progress. We have engaged with Hampshire CC who have agreed to support us in specific areas to drive our objectives forward. | Green |
| Some policy changes may impact on the Constitution therefore will be subject to specific policy & governance processes which we will need to follow in order to make the changes required | Yellow | Engage with Legal, if necessary, and the Corporate Governance Group to determine the correct governance processes required in order to make the necessary changes | Green |
| Support from Directorate colleagues and Commissioners (within the whole organisation) in engaging with Procurement Social Value Policy | Yellow | We aim to create and develop the Social Value Policy with a number of key stake holders to establish engagement from the onset. Within the new suite of procurement documentation, we will include Social Value as a mandatory requirement to ensure that it is taken into consideration when designing their procurement. We will develop a training programme which will demonstrate the benefits of a socially responsible procurement and how they align with Wiltshire Councils Business Strategy. | Green |
| Poor/inaccurate data/records increases the risk that our reporting may not be accurate which could lead to poor decision making | Yellow | Data will be review and checked initially. Depending on the findings of that we will undertake the necessary remedial action ensuring that data is corrected and fit for purpose | Green |
| Historically there has been difficulties in creating, and get support for, category/commodity plans because data provided by us has been inaccurate and the plans created did not align to the Councils Business plan or service area plans for their procured services | Yellow | Linked to the above our data will be corrected that it can be used to create the plans. The team will work with service areas to ensure that category/commodity plans are reflective and supportive of the objectives within the service area. | Green |
| Work is underway to publish our pipeline so that we meet our obligations under the Transparency Code 2015 | Yellow | An initial publication will be made shortly with a statement that it is subject to change. | Yellow |
| Work is under way to review establish the end to end process and review and review our procurement templates | Yellow | In the meantime, a system of peer review has been implemented so that best practice can be shared and officers can be 'upskilled' so that weakness' are turned in to strengths. | Yellow |
| 4. Improvement and financial summary | | | |
| 4.1 Summary of trading activity and income | | | |

Service Plan 2022/23 – Commercial & Procurement Team

Not applicable

4.2 Areas of biggest demand for your service

Policy, Development, Insight and Capability function:

- The delivery of the objectives for this team has a big impact on Supply Chain & Major Contracts team's objectives. We need to ensure that we work collaboratively to achieve the outcomes which are required for both teams.
- National Policies govern our policies and we are reliant on these to achieve objectives to ensure compliance.

Supply Chain and Major Contracts function:

Currently our biggest area of demand is to support and deliver direct procurement activity. We are carrying a substantial amount of vacancies. We are passing projects to Hampshire County Council as and when we can, however day to day queries and support outside of projects that have been handed to Hampshire are dealt with within the team. This does create pressure points now and again.

4.3 Cross-cutting transformational projects

- Climate Change
- Evolve
- Various Organisational Transformation Programmes, as applicable, led by Assistant Director of Transformation

4.4 Other savings projects (including procurement savings)

TBC

4.5 Demand management plans

Supply Chain and Major Contracts function:

We are currently working with our colleagues in Hampshire who are picking up projects and programmes of work as needed. We are in the process of workload planning for the next year and it is our intention to share work with Hampshire in advance so that all 'known' projects have a procurement officer allocated.

4.6 Total budget for the service

Not applicable

5 Challenges and plans to address them

| Challenge | Mitigation |
|--|---|
| Engagement from the organisation on the introduction of new policies which we are developing | <ul style="list-style-type: none">• Early engagement with key stakeholders to enable them to input within the development of the policy which will result in a better understanding of the required outcomes and encourage cooperation in use |

Service Plan 2022/23 – Commercial & Procurement Team

| | |
|---|---|
| | <ul style="list-style-type: none"> • Develop full training programmes to support all new processes introduced to give users a better understanding of the changes and how to use the new processes effectively • Utilise the Director update blogs to our advantage and effectively promote key initiatives through this platform (key for when we launch the Socially Responsible Procurement Policy) |
| Raising the profile of the Commercial and Procurement Team to assist us in developing new policies and processes | <ul style="list-style-type: none"> • Become more engaged with relevant teams/groups/boards within the organisation (based on the objectives we are working on) to ensure we work collaboratively, with the aim to have: <ul style="list-style-type: none"> ○ a consistent approach to processes throughout the Council ○ develop plans and solutions in line with other projects to ensure consistency in our approaches ○ achieve the best result for Wiltshire |
| Standard reporting mechanism to update progress on various projects | <ul style="list-style-type: none"> • Develop a standard reporting document on key objectives which gives Senior Management visibility of the progress made in each area, risks and challenges |
| The process of redefining Exemptions will need to incorporate the new legislation coming under the Procurement Bill which is still yet to be passed | <ul style="list-style-type: none"> • Engage with legal, working together to establish the new definition of exemption/exceptions • Incorporate the new legislation coming under the Procurement Bill • Identify which areas of the Constitution need to be amended to reflect the new definition • Engage in the lengthy process of making changes to the constitution • In the interim period continue to monitor the effective of exemptions and introduce a more robust process of review by handing over Exemptions to SC&MC to review |
| High number of vacancies hindering delivery of the transformation programme | <ul style="list-style-type: none"> • Work with Hampshire to identify projects that can be supported by them • Free time within the team (via passing projects to Hampshire) to deliver the transformation programme. |
| Consistent quality of procurement activity reducing the risk of challenge | <ul style="list-style-type: none"> • Embed peer reviewing approach (already started) • Share best practice and knowledge • Create an open, honest and transparent culture within the team • Ensure that the end to end process and template review is completed quickly and start to implement and embed. |
| Introduction of the Procurement Bill during 2023 which will replace the | <ul style="list-style-type: none"> • Undertake training provided by Government and share knowledge with the team |

Service Plan 2022/23 – Commercial & Procurement Team

| | |
|--|--|
| <p>Public Contract Regulations 2015. This will change the way in which procurement activity is undertaken and increase the Council's burden in respect of publication of (evaluation) documentation.</p> | <ul style="list-style-type: none">• Prepare for their introduction ensuring that we have plan in place to respond effectively to the new ways of working• Ensure that the team is fully briefed and aware of the changes and the way on which the Council wishes to adopt them into its activity• Work closely with our Legal colleagues to respond to the changes ready for their implementation as well as after their adoption (we may need greater support initially to ensure that we do not fall foul of the new regulations). |
|--|--|

Version 4

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|--|---|--------------|------------------|-------------|---|
| <p>Draft & implement Procurement Social Value Policy & plan (PDIC)</p> | <ul style="list-style-type: none"> • Long term sustainable value for money via a whole life approach • Knowing what we use & how we use it & what happens to it afterwards • Suppliers whose delivery supports the Wiltshire Business Plan • Ethical, responsible sourcing that reflects the Council's Values • A supply base that knows how, and gets opportunities, to fulfil our needs • Working with our community to fulfil our mutual needs | JH | LO/CB | Aug 22 | <ul style="list-style-type: none"> • Background research has been completed. • Key priorities have been proposed • Work on the draft policy has commenced with the view to present this for comment to HJ & AB on the 20 May 2022 • The Socially Responsible Procurement Policy (SRPP) has been developed and consulted on. It is being received positively and marks a significant step forward for the Commercial and Procurement Team. It is now due to be discussed at Cabinet Liaison before going to Cabinet for discussion. • CLT & Cabinet Liaison date set for 19 September 2022 • Cabinet date 29 November 2022 |

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|--|---|--------------|------------------|-------------|---|
| Draft & implement Procurement Net Carbon Zero Plan (PDIC) | <ul style="list-style-type: none"> Suppliers whose delivery supports the Wiltshire Business Plan Ethical, responsible sourcing that reflects the Council's Values Using fewer resources (& sustainable ones when needed at all) Working with our community to fulfil our mutual needs | JH | LO/CB | Nov 22 | <ul style="list-style-type: none"> Initial scoping work has commenced Engagement with Climate Team has been initiated Team is attending monthly Scope 3 Community of Practice meetings which is key in the development of this Draft policy under development in consultation with Climate Team |

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Service Plan 2022/23 – Commercial & Procurement Team

| | | | | | |
|---|---|-----------|--------------|---------------|---|
| <p>Implementing all current SWAP Audit recommendations (PDIC)</p> | <ul style="list-style-type: none"> • Strong governance with clear accountability for performance • Simple, efficient processes that are consistent throughout the Council | <p>JH</p> | <p>LO/TR</p> | <p>Sep 22</p> | <ul style="list-style-type: none"> • All actions resulting from the recent audits have been captured • Alignment with Procurement objectives been identified • Third Party audit actions completed. Update sent to Audit • Exemption audit actions are under way, with exemption significantly reduced as a result. Next steps: <ul style="list-style-type: none"> ○ Work with legal colleagues to review definition ○ Adopt the definition in Policy amending the Constitution as needed. • Category audit actions are underway and progress is good. Next Steps: <ul style="list-style-type: none"> ○ Agree and keep under review the Category Plan format ○ Draft Policy that reflects the decision made at Commercial Board in respect of; format and risk profiling so that Categories for review are selected in a consistent manner ○ Agree risk profiling with Commercial Board colleagues. |
|---|---|-----------|--------------|---------------|---|

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|--|---|--------------|------------------|-------------|---|
| Revamp Commercial Board (Terms of Reference & Membership) (PDIC) | <ul style="list-style-type: none"> • Long term sustainable value for money via a whole life approach • Using fewer resources • Strong governance with clear accountability for performance • Simple, efficient processes that are consistent throughout the Council • Evidence-based decision making & robust reporting of performance • Better outcomes for all spend supporting the Wiltshire Business Plan | JH | LO/TR | Jun 22 | <ul style="list-style-type: none"> • Draft proposal has been developed, along with draft TOR's, highlight report template and proposed dashboards • Presenting proposal to HJ on 17 May 2022 for comment • Revamp to be presented to CB 26 May 2022 • Proposals for new purpose of Commercial Board presented to CLT. • Terms of Reference agreed • Membership agreed. • New format of Commercial Board commenced June 2022 <p>Complete</p> |

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Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|---|---|--------------|------------------|-------------|---|
| <p>Implement revised “end to end” process and standard documentation (PDIC)</p> | <ul style="list-style-type: none"> • Strong governance with clear accountability for performance • Simple, efficient processes that are consistent throughout the Council • Evidence-based decision making & robust reporting of performance • Developing the confidence, skills & capability of our people | JH | LO/TR | Nov 22 | <ul style="list-style-type: none"> • Draft End to End proposal has been developed • Standard documentation and training programme has been created and ready for review • Review of documentation has commenced, with some now complete. • Preparations are underway to formally adopt and embed the End to End Process. <p>Next Steps</p> <ul style="list-style-type: none"> • Review remaining documentation • Adopt and embed the End to End Process • Set review dates of the process to ensure that it is working and meets the needs of the Team • Training dates to be confirmed once Phase 1 has been completed – anticipated September 2022 |
| <p>Devise and implement Commercial Assurance Mechanism (SC&MC)</p> | <ul style="list-style-type: none"> • Strong governance with clear accountability for performance • Evidence-based decision making & robust reporting of performance • Developing the confidence, skills & capability of our people | DJ | DG/AP | March 23 | <ul style="list-style-type: none"> • Draft proposal of function of this board has been developed • Work is underway to review the proposal for formal adoption • Work will need to undertaken to ensure that it aligns with and supports the End to End process. |

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|---|--|--------------|-------------------|-------------|--|
| Instigate refreshed “tender evaluation criteria & methodology” (& standstill) (SC&MC) | <ul style="list-style-type: none"> • Long term sustainable value for money via a whole life approach • Evidence-based decision making & robust reporting of performance • All spend supporting the Wiltshire Business Plan • Suppliers whose delivery supports the Wiltshire Business Plan • Ethical, responsible sourcing that reflects the Council’s Values | JH | DJ/DG/AP | Mar 23 | Work is underway to establish and baseline: <ul style="list-style-type: none"> • What the current situation is • What gaps we have and where we have good practice • How it supports the outcomes set out and what we need to do to get there <p>Next Steps</p> <ul style="list-style-type: none"> • Through the development of the templates and the end to end process we will embed the revised approach |
| Review effectiveness of the Exemptions Panel (SC&MC & PDIC) | <ul style="list-style-type: none"> • Strong governance with clear accountability for performance • Simple, efficient processes that are consistent throughout the Council • Evidence-based decision making & robust reporting of performance • Better outcomes for all spend supporting the Wiltshire Business Plan | JH | DJ/AP/DG LO/TR | Mar 23 | <ul style="list-style-type: none"> • Draft revised definition of exemption sent to legal to review and comment • New exemption panel in place • Review of definition revised and will be sent to legal for consultation September 2022 |

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|---|---|--------------|------------------|-------------|---|
| Produce and maintain a list of Top 100 suppliers (by risk and value) for publication and internal use (SC&MC) | <ul style="list-style-type: none"> All spend supporting the Wiltshire Business Plan Evidenced based decision making and robust reporting of performance | DJ | AP/DG | Mar 23 | <ul style="list-style-type: none"> We will be able to produce the top 100 by spend by the end of May - Complete We will need to develop the risk profile. Work is underway with Commercial Board to establish how we will profile risk ensuring that it is appropriate and proportionate |
| Implement "Where the Money Goes" to direct £350m spend (SC&MC) | <ul style="list-style-type: none"> Knowing what we use & how we use it & what happens to afterwards All spend supporting the Wiltshire Business plan | DJ | AP/DG | Jul 22 | <ul style="list-style-type: none"> Work has commenced to review the work already done and to ensure that it 'speaks to' the procurement pipeline and contracts register. Complete |
| Establish 3 tier Categorised Commodity Strategies aligned with 'Where the Money Goes' (SC&MC) | <ul style="list-style-type: none"> Knowing what we use & how we use it %what happens to after Evidence – based decision making & robust reporting of performance All spend supporting the Wiltshire Business plan Suppliers who delivery supports the Wiltshire business plan | DJ | AP/DG | Oct '22 | <ul style="list-style-type: none"> Team members are reviewing possible options and plans to implement this. We will run tests/pilots before agreeing what format and data will go into the plans Category Plans have been produced and are now being reviewed by Commercial Board Next Steps Agree rolling programme of Category Plans to be discussed at Commercial Board over the next 2 months |

Service Plan 2022/23 – Commercial & Procurement Team

| Key actions, major projects and improvement activities FOR 2022/23 | Outcomes | Action Owner | Supporting Owner | Target Date | Progress to date As at: (add date of latest) |
|---|---|--------------|------------------|-------------|---|
| Agree policy for use of GCF & other consortia (SC&MC) | <ul style="list-style-type: none"> Long term sustainable value for money via a whole life approach Simple, efficient processes that are consistent throughout the Council Evidence based decision making & reporting of performance. | DJ | AP/DG | Mar 23 | Work to commence shortly |
| Devise system to capture, classify and report all financial savings (SC&MC) | <ul style="list-style-type: none"> Simple, efficient processes that are consistent across the Council Evidence based decision making & robust reporting of performance | DJ | AP/DG | Dec '22 | Work is underway with our finance colleagues with an update being prepared for Commercial Board in October. |
| Devise system to capture, classify and report all qualitative benefits (PCIC) | <ul style="list-style-type: none"> Evidence based decision making & robust reporting of performance | | | Sep '22 | <ul style="list-style-type: none"> Qualitative benefits currently being scoped and defined |
| Refresh supplier risk categorisation mechanism (SC&MC) | <ul style="list-style-type: none"> Strong governance with clear accountability for (supplier performance) Evidence based decision making & robust reporting of performance | DJ | AP/DG | Mar '23 | <ul style="list-style-type: none"> Work will commence in the autumn |
| Begin to compile a business risk register using Top 100 contracts (SC & MC) | <ul style="list-style-type: none"> Evidence based decision making & robust reporting of performance | | | Mar '23 | <ul style="list-style-type: none"> Work will commence in the autumn |

PERFORMANCE MONITORING

| Ref | Description | Area | 1998/99 | 1999/20 | 2020/21 | 2020/21 | | | | 2021/22 | 2022/23 |
|-----|--|---------|---------|---------|---------|-----------|-----------|-----------|-----------|---------|---------|
| | | | Actual | Actual | Target | Actual Q1 | Actual Q2 | Actual Q3 | Actual Q4 | Target | Target |
| 1 | Sickness: Average days lost over rolling 12 month period | Council | | | | | | | | | |
| | | Service | | | | | | | | | |

Update August 2022

Service Plan 2022/23 – Commercial & Procurement Team

| | | | | | | | | | | | |
|----|---|---------|--|--|--|--|--|--|--|--|--|
| 2 | PPAs: % of PPAs completed in the period | Council | | | | | | | | | |
| | | Service | | | | | | | | | |
| 3 | Employee costs: Total actual expenditure - employees | Council | | | | | | | | | |
| | | Service | | | | | | | | | |
| 4 | Employee costs: Expenditure on non-contractual over-time | Council | | | | | | | | | |
| | | Service | | | | | | | | | |
| 5 | Employee costs: Expenditure on non council staff costs (agency and contractual staff) | Council | | | | | | | | | |
| | | Service | | | | | | | | | |
| 6 | Complaints | | | | | | | | | | |
| 7 | Case File Audit results | | | | | | | | | | |
| 8 | FOIs | | | | | | | | | | |
| 9 | | | | | | | | | | | |
| 10 | | | | | | | | | | | |
| 11 | | | | | | | | | | | |
| 12 | | | | | | | | | | | |
| 13 | | | | | | | | | | | |

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Exemptions & Category Management Audit Actions 2022

| Reference Number | Finding | Original Action | September 22 Update | Priority | Status | Start Date | Due Date | % Complete | Done/Overdue? |
|------------------|---|--|---|----------|-------------|------------|----------|------------|---------------|
| 46167 | Council is required to have an exemptions process as part of the Constitution, however, exemptions process is currently being used excessively by officers. Council needs to ensure that correct process is followed & exemptions route is not seen as a viable or easy alternative to following correct process. Current exemptions include contracts for large values & of high public interest. Consider how it can deliver training on exemptions to reinforce message that this is an exceptional route & will only be approved in exceptional circumstances. | Exemptions Audit We will review the definition of exemptions in the Constitution to ensure it is made clear the circumstances in which an exemption would be a legitimate route. We will also provide training for officers on exemptions to include when it can be used and how to complete an exemption form. | Definition: Definition drafted and under review in collaboration with our Legal colleagues. Further advice to be taken in respect of changes that maybe needed to the Constitution. Training: options - remove everything from the Epic Hub so service areas have to approach procurement? Review exemption form to ensure it is clear when an exemption is appropriate & how to complete the form. Exemptions Panel: relaunched by DB. QA model: End to End process will inform. | 1 | In Progress | 01/04/22 | 31/10/22 | 50% | |
| 46170 | As per procurement rules, exempted contracts should not be for a period of more than 6 months. Reviews of contracts should be undertaken at regular intervals to ensure contracts are not continued longer than agreed period. Resources not available to undertake these reviews within SPH. Whilst we can confirm that there has been some monitoring of spend overall per cost centre, we cannot confirm that there is review of exempted contracts to ascertain if spend is being incurred. Without review, risks remain of incurring spend against contracts which should have been archived. | Exemptions Audit The contract register will be subject to regular review by the Commercial Board (or delegated out) to monitor exempted contract end dates. This will include monitoring spend against exempted contracts to provide assurance that it does not spend more than was agreed. This information will be made available to the Corporate Leadership Team. | This is now complete. The contracts register informs our pipeline which is shared and reviewed at Commercial Board. All contracts have an end date that is consistent with the approval to award. Procurement activity commences in advance of the end date to ensure that we have a new contract in place that commences on the day after the end of the contract. | 2 | Complete | 01/04/22 | 31/08/22 | 100% | ✓ Done |
| 46124 | Procurement Officers are required to demonstrate specific competencies as part of their role. The competencies required are contained within the competency framework, available via the intranet, a newer version has however been published by the Cabinet Office. The procurement service is one of the areas undergoing restructure & without updating the competency framework there is risk that assessment of future roles will not reflect the competencies required. | Exemptions Audit Following the restructure of the Procurement Team, we will create a whole new commercial procurement competency framework which will reflect Cabinet Office guidance. | As per previous update <-- | 3 | In Progress | 01/04/22 | 30/09/22 | 50% | |
| 46063 | Category management is a strategic approach to procurement where organisations segment their spend into areas which contain similar or related products enabling a focus on opportunities for consolidation & efficiency. There is currently no overarching category management strategy available defined to support the strategic vision of category management within the council & align to corporate objectives. Furthermore, the policies related to the wider procurement service do not specifically reference category management in sufficient detail. | Category Management Audit As part of the procurement governance refresh, the Strategic Procurement Hub will consider an overarching category management strategy which the individual category management plans/strategies can then be aligned to. There will be reference to this in the procurement manual. | The Category Plans will align to the 'Where the Money Goes' slides. Based on risk and value to the council, a rolling programme of Category Plans will be produced to share with Commercial Board. There are three things that now need to be complete; 1. Agree format of the Category Plans with Commercial Board (due Sept 2022) 2. Agree how we will calculate the risk score and apply this 3. Once the first two are complete write a strategy that can be shared with the Commercial and Procurement Team and relevant teams | 2 | In Progress | 01/04/22 | 30/09/22 | 50% | |
| 46076 | Individual CM plans, or strategies as defined by CIPS should document: SRM; Supplier evaluation & appraisal; Effective communication incorporating soft skills; Market analysis, competitive forces & external factors; Stakeholder identification & management; Sustainable/ethical procurement; Team leadership & management. Council did not have complete or agreed CM plans for 5 areas sampled & it is understood that there are currently no completed plans in place. This is related to the finding above whereby the council does not have an overarching strategy in which to align the underlying plans/strategies to. Individual CM plans/strategies will be created or reviewed to ensure consistency & completeness. | Category Management Audit Individual category management plans/strategies will be created or reviewed to ensure consistency and completeness. | Subject to approval at Commercial Board this action is nearly complete. A rolling programme of Category Plans has been devised. It will be presented at the next Commercial Board and if approved will ensure that we produce Category Plans on regular basis. | 2 | In Progress | 01/04/22 | 30/09/22 | 75% | |
| 46033 | To ensure that benefits & efficiencies of business cases are being achieved, there should be spend reports per category of spend. This granularity of financial information is an ambition at this stage for SPH. Only 2 service areas are reporting outcomes, whilst another was described as a statutory service. Without this level of detail & appropriate challenge & review, the risk that procurement does not achieve the benefits expected increases. This could be part of the Category Manager role. Furthermore, without sufficient details relating to spend per category available, the Commercial Board is unable to make sound decisions based on robust financial data. | Category Management Audit Reports of spend per category should be made available for category managers. We will implement a process to ensure Category Managers are able to produce this information. | This is now complete. Spend data can be generated as required. We are aware that sometimes there are inconsistencies and work is underway to address this. | 2 | Complete | 01/04/22 | 30/09/22 | 100% | ✓ Done |
| 45968 | It is not clear where CM sits in terms of the existing policies & questions remain as to whether it is part of Commissioning or Procurement. This impression was reinforced during discussions with commissioning officers who were of the opinion that CM sits in procurement. Until this is made clear there is an increased risk of procurement missing out on opportunities of scale & efficiencies. | Category Management Audit As part of the restructure the role and position of the Category Manager will be made clear. | Complete | 3 | Complete | 01/04/22 | 30/09/22 | 100% | ✓ Done |
| 46082 | Changes in procurement legislation are not consistently shared & there is a reliance on staff proactively finding the information. Without effective sharing of information there is an increased risk of procurement not being legally compliant. This might fit with the Category Manager role who could be responsible for ensuring the service area is complying with applicable legislation in procurement. We understand that recruitment for these posts is ongoing. | Category Management Audit As part of the restructure we will consider where this will be best achieved and ensure there is a proper system in place for effective information sharing, including changes in procurement legislation. | COMPLETE | 3 | Complete | 01/04/22 | 30/09/22 | 100% | ✓ Done |

Corporate Audit Actions

| Principle | AGS improvement actions | Current Status | July 22 Update |
|---|--|--|--|
| Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | <i>Review commissioning and procurement approaches to embed industry standard contract management as part of staff job descriptions; deliver policy and training to embed social value across the council;</i> and strengthen our approach to partnership working with the VCS through business planning processes. | An end-to-end review of processes across procurement has been undertaken, and a refreshed process has been devised (involving, appropriately, colleagues from Legal and SWAP Audit). This will be formally launched in June. A restructure of the Commercial & Procurement team has been undertaken and all job descriptions revised. An improvement plan is in place. Work has during Q1 (of calendar year 2022). The Job Descriptions have also been completely refreshed and form part of the Procurement Team Restructure (also during Q1); each aspect of this Improvement Action has been reflected therein. A social value strategy has been drafted and will be finalised shortly. | Contract Management is now part of procurement JDs. Social Value - Socially Responsible Procurement Policy (SRPP) developed. Training to follow. End to End process developed. To be reviewed once templates have been reviewed & agreed. Restructure complete. JDs revised & refreshed. Improvement Plan in progress. |
| Principle B - Ensuring openness and comprehensive | Review commissioning and procurement approaches to embed industry standard | See above for review of end-to-end processes. Training has been undertaken with all | |

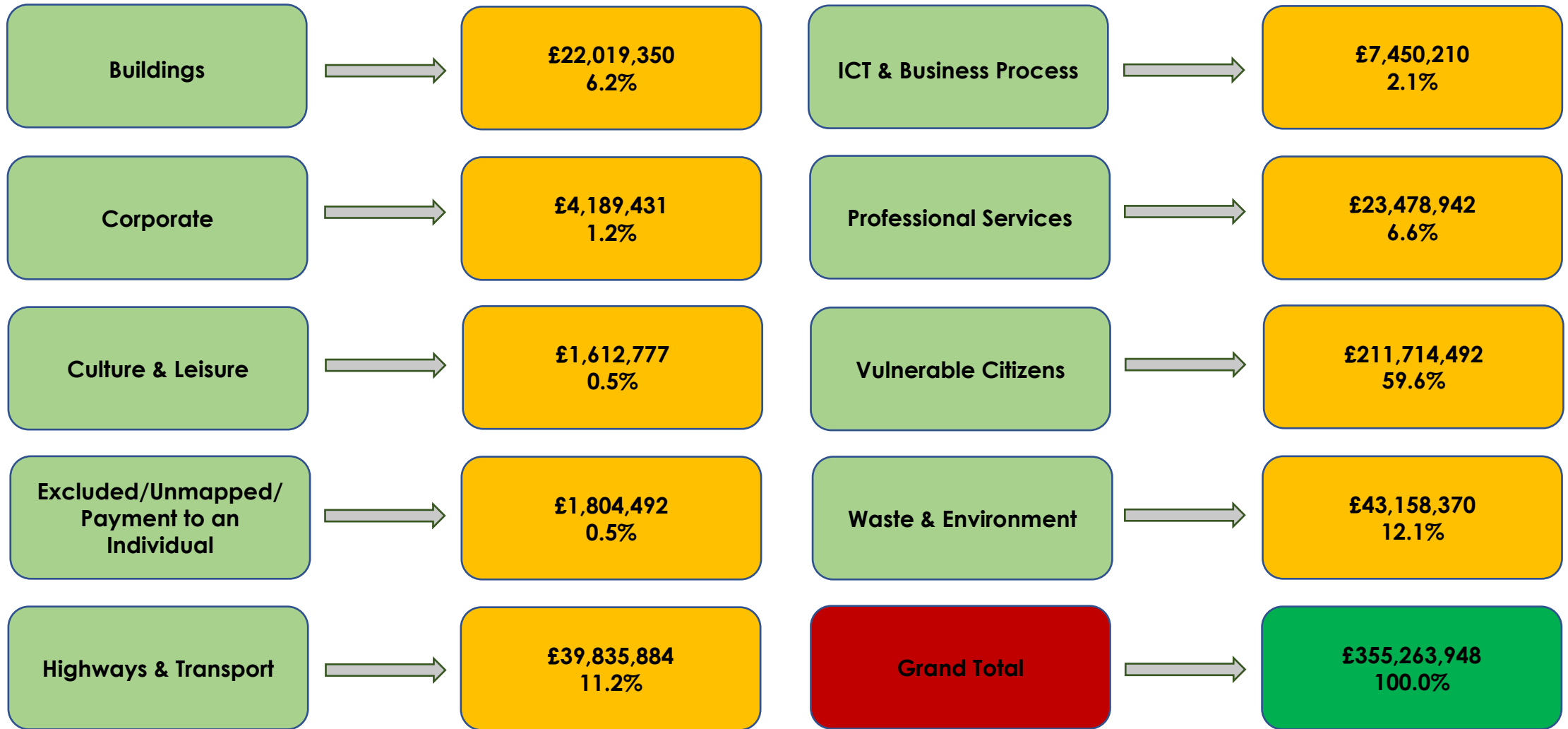
JH

HJ

| | | | |
|------------------------|---|--|--|
| stakeholder engagement | contract management as part of staff job descriptions; deliver policy and training to embed social value across the council; <i>and strengthen our approach to partnership working with the VCS through business planning processes.</i> | commissioning staff by IPC (Institute of Public Care) which is a nationally led, locally delivered programme that supports the development of skills in the staff. Following the redesign of end-to-end processes and the development of a social value strategy, there will be an identification of skills gaps for commercialization and procurement | |
|------------------------|---|--|--|

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Where The Money Goes – Procurable - Revenue - £355,263,948



Atamis “L1” Categories Spend Totals

Adults
£128,180,389 – 36.1%

Children
£26,985,381 – 7.6%

Education
£26,062.123 – 7.3%

**Social Community Care
Supplies & Services**
£16,986,142 – 4.8%

Arts and Leisure Services
£1,423,836 – 0.4%

Building
£355,684 - 0.1%

Catering
£506,243 – 0.1%

Cemetery and Crematorium
£85,961 – 0.0%

Cleaning and Janitorial
£509,242 – 0.1%

Clothing
£61,733 – 0.0%

Consultancy
£2,745,982 – 0.8%

Domestic Goods
£30,953 – 0.0%

Environmental Services
£42,019,711 – 11.8%

Facilities & Management
Services
£3,577,135 – 1.0%

Financial Services
£14,857,263– 4.2%

Furniture
£129,259 – 0.0%

Healthcare
£13,489,751 – 3.8%

Health & Safety
£17,170 – 0.0%

Highways
£1,870,150 – 0.5%

Horticultural
£1,052,699 – 0.3%

Housing Management
£439,148 – 0.1%

Human Resources
£4,534,882 – 1.3%

ICT
£7,450,210 – 2.1%

Legal Services
£1,323,232 – 0.4%

Mail Services
£634, 232 – 0.2%

Passenger Transport
£28,659,397 – 8.1%

Sports and Play
£139,873 – 0.0%

Stationery
£209,147 – 0.1%

Street & Traffic Management
£318,051– 0.1%

Utilities
£5,300,341 – 1.5%

Vehicle Management
£1,567,530 – 0.4%

Works
£21,936,605 – 6.2%

Payment To Individual
£371,819 – 0.1%

Unmapped
£1,229,422 – 0.3%

Excluded
£203,251 – 0.1%

Wiltshire Council

Audit and Governance Committee

27 September 2022

Subject: Anti-Money Laundering Policy 2022

Executive Summary

This report presents the Anti-Money Laundering Policy for approval.

Proposal(s)

To recommend the approval of the council's Anti-Money Laundering Policy.

Reason for Proposal(s)

Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse. The policies provide a raft of measures to provide a positive culture of control and compliance and sets out what is expected from workers, members and the public.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

27 September 2022

Subject: Anti-Money Laundering Policy 2022

Purpose of Report

1. This report presents the Anti-Money Laundering Policy for the council for approval by those charged with governance.

Relevance to the Council's Business Plan

2. Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse.
3. The policies are reflective of the Council's aims within its business plan to be open and transparent and ensure that all are working together. They are also consistent with the Council's aim for prevention and early intervention which would equally apply with internal arrangements.

Background

4. The Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 set out the offences, with the three main offences being:
 - **Concealing**: knowing or suspecting a case of money laundering but concealing or disguising its existence.
 - **Arranging**: becoming involved in an arrangement to launder money or assisting in money laundering.
 - **Acquisition**: use or possession: benefiting from money laundering by acquiring, using or possessing the property concerned.
5. There is also a 'third party' offence – failure to disclose one of the three main offences detailed above.
6. It is vital that the council has policies that set out clearly its position on, approach to and response to these offences. The council's current Anti-Money Laundering policy has been in draft form since 2019. The draft policy has therefore been updated and sets out the council's position on and approach to money laundering for approval.

Main Considerations for the Council

7. The policy can be seen in Appendix A and sets out Wiltshire Council's position to money laundering. As part of the Council's Constitution the Audit & Governance Committee has responsibility for Anti-Fraud and Corruption Policy

and other policies that support specific risks such as the Anti-Money Laundering Policy as those charged with governance.

8. The purpose of the Anti-Money Laundering policy is to support the specific area of money laundering alongside the existing zero tolerance position on all aspects of fraud, bribery and corruption, to provide guidance to staff and others on action to prevent or report on money laundering and to emphasise the need to be aware and to continue the Council's good record.
9. Governance and internal control procedures are already in place to meet the statutory requirements; and there is no suggestion that the council tolerates money laundering, or that staff engage in such behaviour. However, adopting an express corporate policy sets out clearly and transparently the council's approach, will help workers, members and the public understand that approach and will help the council defend any allegation that it has facilitated money laundering should this ever arise.

Overview and Scrutiny Engagement

10. As the policy approval is to be considered by the Audit and Governance Committee there has been no engagement with the Overview and Scrutiny Committee. Those charged with governance are responsible for the review and approval of this policy.

Safeguarding Implications

11. There are no safeguarding implications associated with this report.

Public Health Implications

12. There are no public health implications associated with this report.

Procurement Implications

13. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

14. The policy is designed to give workers, members and the public assurance that they have an avenue where they can raise any issues associated with money laundering and where they have serious concerns the policy will be applied equally to all and therefore the policy is consistent with the council's public sector equalities duties.

Environmental and Climate Change Considerations

15. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

16. There is no current approved policy that sets out the council's position on money laundering. By not having an approved policy that is communicated to staff, members and members of the public does not provide a clear framework that is understood and is not open and transparent.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. If the policy is approved, it will be published in the council's website and the policy will be appropriately communicated internally.

Financial Implications

18. The Anti-Money Laundering policy supports the financial control environment by clearly setting out the council's approach to the prevention, detection and reporting of all forms of financial irregularity and helps protect the public purse by providing a clear framework for staff.

Legal Implications

19. The proposed policy ensures that the council is setting out its approach to money laundering in line with the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

Workforce Implications

20. There are no direct workforce implications associated with this report. The policy sets out the framework for staff and ensures that there is a safe, reliable, and confidential way of staff reporting any suspicious activity.

Options Considered

21. It is best practice for the council to have an approved policy and therefore it was considered that there was no other option but to present for approval a new policy.

Conclusions

22. It is recommended that Audit and Governance Committee approve the council's Anti-Money Laundering 2022.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Report Author: Lizzie Watkin, lizzie.watkin@wiltshire.gov.uk, 01225 713056

16/09/2022

Appendices

Background Papers

Anti-Fraud, Bribery and Corrruption Policy

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Anti-Money Laundering Policy

**A policy for tackling
money laundering in
Wiltshire 2022**

Strategy Statement

Wiltshire Council has a **zero-tolerance** approach to fraud, bribery and corruption and as such takes a proactive approach to the prevention, detection and reporting of money laundering and suspected money-laundering incidents. Controls are in place to ensure compliance with policies, and the council is committed to taking all necessary steps to prevent money laundering and will seek the appropriate disciplinary and / or legal action is taken against those found to have committed money laundering and recover any losses.

Although local authorities are not obliged to comply with the requirements of the Money Laundering Regulations 2017, guidance from CIPFA indicates that they should embrace the underlying spirit of the legislation and regulations.

This Policy sets out the Council's commitment to ensuring compliance with the requirements of legislation relating to money-laundering and criminal property. The Policy supports the principles in the Council's Anti-Fraud, Bribery and Corruption Policy.

All staff have a responsibility to assist in preventing money laundering and expected staff behaviours are contained within the Code of Conduct. This policy is supported and endorsed by the Corporate Leadership Team and Cabinet.

The council's expectation is that councillors and employees at all levels will lead by example to ensure the highest standards of probity and accountability are established and strictly adhered to, and that personal conduct is above reproach at all times.

This policy applies to all employees, whether permanent or temporary, and Councillors of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside work should contact the Police.

This policy defines the Council's approach to managing the risk of money laundering ensuring best practice is embedded across all services, projects and partnerships. Any act of money laundering is unlawful.

This holistic approach to tackling fraud, bribery and corruption is an integral part of existing governance arrangements, policies and procedures and this policy supports the approach of providing a raft of measures designed collectively to deter would be offenders.

As a living document it is envisaged that this strategy will continually evolve as the council gains a better understanding of the potential threat from money laundering, as new threats arise, and as new and existing partnerships develop.

The Anti-Money Laundering Policy underpins these principles in seeking to ensure sound governance. In adopting this approach and culture the policy supports the outcomes in enabling greater engagement with the community and partners, whilst protecting the public purse. As such this document and approach is a key support for the delivery of the council's business plan 2022-2032.

Anti-Money Laundering Policy

Contents

- 1. Purpose**
- 2. Key Principles**
- 3. Relevant Legislation**
- 4. Reporting Fraud**
- 5. Investigation of Fraud**
- 6. Prevention**
- 7. Detection**
- 8. Recovery of Losses**
- 9. Conclusion**

1. Purpose

1.1 The purpose of this policy is to set out clearly:

- The Council's commitment and approach to tackling money laundering.
- The responsibilities of Councillors and employees to report any suspicions they have.
- The importance of the public in tackling money laundering.

1.2 This policy applies to:

- Councillors
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Employees and committee members of organisations funded by Wiltshire Council
- Employees and principals of partner organisations
- Volunteers working for Wiltshire Council

1.3 In addition to the above Wiltshire Council expects members of the public and businesses to be honest in their dealings with the Council.

1.4 Other relevant policies, procedures and controls include:

- Council Constitution including Financial Regulations
- Standards Committee
- Codes of Conduct for Councillors and for Employees
- Registers of Interest
- Procurement Rules and Guidance
- Anti-Fraud, Bribery and Corruption Policy
- Whistle Blowing Policy
- HR policies and procedures for managing performance including disciplinary matters
- HR policies and procedures for managing recruitment
- I.T. Security Policy
- Benefit Fraud Sanction Policy
- Benefit Fraud Strategy

1.5 A priority aim is to fully integrate this policy's approach into existing policies, procedures and controls' ensuring it becomes a key part of the council's governance and risk management framework. The arrangements set out in this policy will be reviewed annually to ensure the Council remains resilient to the threat of money laundering.

2. Key Principles

- 2.1 The council will not tolerate money laundering and if proven employees will face possible dismissal and/or prosecution.
- 2.2 The council expects that Councillors and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability and operate within relevant Codes of Conduct.
- 2.3 The council will endeavour to raise money laundering awareness as part of the Anti-Fraud, Bribery & Corruption framework and approach among employees both at induction and periodically throughout their employment.
- 2.4 The council expects Councillors and Senior Officers to emphasise the importance of these policies and approach and to actively promote and support the fight against money laundering.
- 2.5 The council expects individuals and organisations with whom it comes into contact with to act with integrity towards the council.
- 2.6 The council understands the risks it faces and will implement policies and procedures to identify and prevent any fraudulent acts, but will also take all action necessary to investigate and identify it, including money laundering.
- 2.7 The council will take appropriate action against those responsible for money laundering and where possible recover losses incurred (see Recovery of Losses section).
- 2.8 Members of the public are asked to contribute to the council's fight against money laundering by remaining vigilant to the potential for it and reporting it where they suspect the council is being targeted. Employees and Councillors have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:
 - A criminal offence.
 - A failure to comply with a statutory or legal obligation.
 - Improper or unauthorised use of public or other official funds, or assets.
- 2.9 The investigation of any acts of money laundering will be fair, independent and objective. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions. Officers will not be affected by improper or undue pressure from any source.
- 2.10 Wiltshire Council will endeavour not to facilitate fraud against other bodies including money laundering. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the 'appropriate body'.
- 2.11 Senior Officers will work with service areas to help raise awareness of money laundering risk that affect the public relative to the service area.

3. Relevant Legislation

3.1 Fraud is defined in the Fraud Act 2006 which came into effect from 15 January 2007. There are three basic types of fraud:

- False representation;
- Failing to disclose information; and
- Abuse of position

A person can be found guilty even if there is no victim of the crime; all that needs to be proven is the intent to make a gain or cause a loss by the accused.

3.2 The Proceeds of Crime Act 2002 made it a criminal offence to fail to disclose knowledge of or suspicion of money laundering with three main offences of:

- Concealing - knowing or suspecting a case of money laundering but concealing or disguising its existence
- Arranging - becoming involved in an arrangement to launder money or assisting in money laundering
- Acquisition - use or possession: benefiting from money laundering by acquiring, using or possessing the property concerned

3.3 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism.

3.5 The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 set out the additional obligations of organisations working in areas of higher money laundering risk.

4. Reporting Money Laundering

4.1 Money-laundering is generally defined as the process by which the proceeds of crime, and the true ownership of those proceeds, are changed so that the proceeds appear to come from a legitimate source. Money-laundering can arise from small profits and savings from relatively minor crimes, such as regulatory breaches, minor tax evasion or benefit fraud. Because banks and financial institutions have developed procedures to alert them to potential money laundering, criminals look for other ways of placing cash within the financial system (for example, by investing in property).

4.2 Circumstances that may be susceptible to money laundering for the council include but are not limited to sale of council land/buildings, sales of council properties, receipt of cash payments, and investments.

4.3 Indicators that should raise suspicion include:

- Where the person you are dealing with is excessively secretive or obstructive
- Where a transaction seems unusual, such as an unusually large cash payment

- An overpayment or duplicate payment in cash where the refund is requested by cheque
- Where a customer pays funds to the Council but then ends the transaction for no apparent reason, or unexpectedly asks for money to be refunded or forwarded to a third party
- Where a customer tells you that funds are coming from one source and at the last minute the source changes
- Absence of an obvious legitimate source of funds e.g. where an individual is on a low income and is purchasing a property from the Council
- Movement of funds overseas, particularly to a high-risk country
- Individuals and companies that are insolvent but have funds
- Purchase of property (e.g. a Council house) where no mortgage is involved

4.2 Council employees and members must report any concerns they may have regarding money laundering, whether it relates to dishonest behaviour by council employees, Councillors, contractors or by others. That action will be free from recrimination. Such concerns will be treated in confidence and will be properly investigated. In the first instance a member of staff should contact a senior manager within the line management structure who will then liaise with the Money Laundering Reporting Officer (MLRO).

4.2 However, if the member of staff considers the matter too serious or sensitive or inappropriate to raise within the line management structure then they should contact the MLRO direct or concerns can also be raised directly to the SWAP Internal Audit Services Counter Fraud Team through their Confidential Reporting Line:

| SWAP Confidential Reporting Line | |
|---|------------------------------|
| Confidential Helpline | 020 8142 8462 |
| Confidential Email | confidential@swapaudit.co.uk |
| https://www.swapaudit.co.uk/contactus | Report It |

4.3 All matters will be treated in confidence and an expressed wish not to reveal the identity of a complainant will be respected wherever possible. (Concerns expressed anonymously are much less powerful but will be considered by the council). Alternatively, any person with a concern may use the Council's Confidential Whistleblowing Policy or as an external contact point our external auditors, Deloitte LLP.

4.4 Councillors should normally report any concerns to the Monitoring Officer who will then liaise with the MLRO.

4.5 Where you know or suspect that money laundering activity is taking/has taken place, you must disclose this as soon as practicable to the MLRO. The disclosure should be made as soon as possible. The MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable the MLRO to prepare a report to the National Crime Agency (NCA), where appropriate.

4.6 Where staff may be involved there are policies that set out the approach taken. The Council's Disciplinary Policy clearly identifies the following as gross misconduct:

- Dishonesty, including theft and/or fraud, falsification of records or information, non-declaration of information.
- Serious Data protection breaches, unauthorised disclosure of council documents or confidential information to others inside or outside the council
- Misuse of an official position for personal gain

Only a Manager / Officer at Head of Service level or above, can dismiss an employee on the grounds of gross misconduct in accordance with HR policies and procedures.

- 4.7 An accusation of dishonest behaviour by a Member of the council should be referred to the Monitoring Officer for an assessment of whether this is likely to constitute a breach of the Members' Code of Conduct.
- 4.9 Where investigation reveals evidence of suspected criminal activity with regard to money laundering the Corporate Director of Resources & Deputy Chief Executive (S151 officer) **must** refer the matter to the National Crime Agency. Where an employee is involved, the matter should be reported to the Assistant Director of HR&OD.

5. Investigation of Money Laundering

- 5.1 The legislative requirements set out the responsibility to appoint a Money Laundering Reporting Officer (MLRO). The S151 Officer is appointed officer for the council.
- 5.2 The investigation of money laundering is a complex and specialist area and will usually be undertaken by staff in the Counter Fraud Team – SWAP Internal Audit Services or, for less complicated cases, managers, under advice from the Counter Fraud Team. The Counter Fraud Team or MLRO will liaise with the National Crime Agency.
- 5.2 To facilitate audit work and investigations, the Counter Fraud Team are accorded rights, by the Accounts and Audit Regulations (England) 2015, to access all necessary documents, records, information and explanations from any member of staff.

6. Prevention

- 6.1 There are many ways of preventing money laundering happening. The Council has adopted the following preventative measures including:
- Having a sound Governance Framework with performance against it, being reviewed annually by senior management. Reported to Audit & Governance Committee.
 - Ensuring that the risks of money laundering are controlled via corporate and operational risk registers.
 - The Council's Recruitment and Selection procedure requires that references should always be taken up when recruiting posts externally.
 - The officers' standards of conduct makes clear the expected conduct of its employees.
 - The members' Code of Conduct makes clear the expected conduct of its Councillors.

- The council maintains a register of all pecuniary and personal interests (and where appropriate prejudicial interests) as well as details of gifts and hospitality received.
- Contracts Standing Orders and Financial Regulations prescribe the minimum standards for financial controls that must be in place within all processes throughout the council.
- Targeted training of services where the perceived risk is higher.
- The council seeks to maintain relevant procedures, including top-level commitment to tackling fraud, bribery and corruption and effective communication, including training. Senior Officers have an additional responsibility (beyond that of the employees own) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their department along with other good practice regarding ethical behaviour.
- The council subscribes to the National Anti-Fraud Network.

6.2 Each individual employee and councillor is responsible for observing these rules and codes. This will go a long way to preventing and detecting improper practice.

7. Detection

- 7.1 The array of preventative systems, particularly internal controls systems with the council, help to provide indicators of, and help to deter, any fraudulent activity including money laundering. Where fraudulent activity is suspected, this may be investigated by Internal Audit. It is not Internal Audit's primary responsibility to detect fraud; the role of Internal Audit is to check the adequacy of the controls within systems. However, the assessment of the risk of fraud is routinely taken into account in planning all internal audits. High risk areas will be considered for annual audit reviews.
- 7.2 It is the responsibility of the Corporate Leadership Team and their managers to prevent and detect any aspects of fraud, bribery and corruption. However, it is often the alertness of staff, Members and the public to the possibility of fraud, bribery and corruption, that enables detection to occur and appropriate action to take place when there is evidence that fraud, bribery or corruption may have been committed or is in progress.
- 7.3 Allegations can be a key factor in the detection of fraud and as such the Council treats all suspicions and concerns and complaints seriously and is committed to investigate all such matters.
- 7.4 The Council's Code of Practice on Whistleblowing allows employees and Members to raise any concerns they may have in confidence and anonymously should they so wish.
- 7.5 The Council takes part in the Governments National Fraud Initiative (NFI) which brings together data from NHS bodies, local authorities, government departments and other agencies to detect a wide range of frauds against the public sector. This data matching exercise which is run every two years. Potential frauds uncovered through NFI will be investigated in accordance with this Policy. Along with this the council subscribes to CiFAS, giving access to their national fraud database.

8. Recovery of Losses

- 8.1 The council will always seek to recover the losses incurred as a result of money laundering.
- 8.2 If anyone under investigation offers money in settlement of any losses to the council, it should be made clear that any monies offered will be accepted:
- without prejudice to any other action the council may wish to take.
 - that acceptance is only in respect of losses identified to date.
 - and that the council reserves the right to seek recovery of any further losses that may come to light in the future.
- 8.3 Instances of money laundering will be reported to the National Crime Agency and consideration will be given to legal action against the perpetrator of fraud or those benefiting from fraud in order to recover any losses the council faces.

9. Policy Review

- 9.1 The council will maintain a continuous overview of these arrangements.
- 9.2 This Policy Statement will also be subject to regular review at least every other year to ensure that it remains compliant with good practice and legislative requirements. If you have any questions about these procedures, please contact the Assistant Director of Finance.

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

| Meeting Date | Item | Responsible Officer | Draft Report Deadline | Publication Deadline |
|--------------------|---|----------------------------|-----------------------|----------------------|
| 23 Nov 2022 | Update on Statement of Accounts 2019/20 (if not yet approved) | Deloitte | 9 Nov | 15 Nov |
| | Internal Audit Reports <ul style="list-style-type: none"> • IA Updates • IA Q3 and Q4 Plans • Future of internal audit | SWAP | | |
| | Update on Fraud | Lizzie Watkin | | |
| | Independent co-opted members | Lizzie Watkin/Perry Holmes | | |

Audit and Governance Committee
Proposed Forward Work Plan 2022

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| Meeting Date | Item | Responsible Officer | Draft Report Deadline | Publication Deadline |
|---------------------|---|-------------------------------------|------------------------------|-----------------------------|
| 8 Feb 2023 | Statement of Accounts 2020/21 TBC To approve the SoA 2020/2021 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements | Lizzie Watkin/ Andy Brown/ Deloitte | 25 Jan 2023 | 31 Jan 2023 |
| | Statement of Accounts 2021/2022 TBC To approve the SoA 2021/2022 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements | Lizzie Watkin/ Andy Brown/ Deloitte | | |
| | Internal Audit Reports <ul style="list-style-type: none"> • IA updates • Q1 plan 2023/24 | SWAP | | |
| | Governance Update on AGS | Perry Holmes/Maria Doherty | | |
| | Corporate Risk Update | Toby Elliot / Martin Nicholls | | |

Audit and Governance Committee
Proposed Forward Work Plan 2022

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| Meeting Date | Item | Responsible Officer | Draft Report Deadline | Publication Deadline |
|-----------------------------------|--|----------------------------|------------------------------|-----------------------------|
| Late April 2023 – date tbc | Internal Audit Reports <ul style="list-style-type: none"> • IA updates • Q2 plan 2023/24 | SWAP | TBC | TBC |
| | External Audit Plans | Deloitte | | |
| | Accounting Policies 2022/23 | Lizzie Watkin / Sally Self | | |

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