



Audit and Procurement Committee

Time and Date

3.00 pm on Monday, 3rd April, 2017

Place

Committee Room 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 12)
To agree the minutes of the meeting held on 20th February 2017.
4. **Exclusion of Press and Public**
To consider whether to exclude the press and public for the item(s) of business for the reasons shown in the report.
5. **Outstanding Issues** (Pages 13 - 20)
Report of the Deputy Chief Executive (Place)
6. **Work Programme 2016/17** (Pages 21 - 22)
Report of the Deputy Chief Executive (Place)
7. **The Audit Plan for Coventry City Council - Year Ended 31st March 2017**
(Pages 23 - 46)
Report of the External Auditor (Grant Thornton)
8. **Internal Audit Recommendation Tracking Report** (Pages 47 - 56)
Report of the Deputy Chief Executive (Place)
9. **Code of Corporate Governance** (Pages 57 - 64)
Briefing Note of the Deputy Chief Executive (Place)
10. **Review of the Council's Whistleblowing Policy** (Pages 65 - 82)
Report of the Deputy Chief Executive (Place)

11. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Private business

12. **Procurement and Commissioning Progress Report** (Pages 83 - 92)

Report of the Deputy Chief Executive (People)

(Listing Officer: M Burn, tel: 024 7683 3757)

13. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

Martin Yardley, Deputy Chief Executive (Place), Council House Coventry

Friday, 24 March 2017

Note: The person to contact about the agenda and documents for this meeting is Lara Knight tel: 024 7683 3237, email: lara.knight@coventry.gov.uk

Membership: Councillors S Bains (Chair), R Brown, J Clifford (Deputy Chair), J Lepoidevin, T Sawdon and H Sweet

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Lara Knight

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Public Document Pack Agenda Item 3

Coventry City Council

Minutes of the Meeting of the Audit and Procurement Committee held at 3.00 pm on Monday, 20 February 2017

Present:

Members: Councillor S Bains (Chair)
Councillor R Brown
Councillor J Clifford
Councillor J Lepoidevin
Councillor T Sawdon
Councillor H Sweet

Employees:

B Barrett, Resources Directorate
M Burn, Resources Directorate
L Commane, Resources Directorate
A Harwood, Place Directorate
P Jennings, Resources Directorate
L Knight, Resources Directorate
S McGinty, Resources Directorate
J Sansom, Resources Directorate
K Tyler, Resources Directorate

Other Representatives: P Harvey, Grant Thornton

Public Business

61. Declarations of Interest

There were no disclosable pecuniary interests.

62. Minutes of Previous Meeting

The minutes of the meeting held on 25th January, 2017 were signed as a true record.

Further to Minute 57 headed 'Minutes of the Previous Meeting' Councillor Sawdon reported that members had still not received the list of officers undertaking work for the West Midlands Combined Authority and details of the Freedom of Information requests received from journalists. He also enquired if a date had been determined for Member training on the Corporate Risk Register.

It was reported that a potential date on 20th March had been identified for the training session and clarification would be provided in the near future. The details of the Freedom of Information requests had already been e-mailed to Members but the details would be circulated to Councillors Bains and Sawdon. The list of officers undertaking work for the WMCA would be sent out as soon as possible.

63. **Exclusion of Press and Public**

RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the following private reports on the grounds that the reports involve the likely disclosure of information defined in the Paragraphs of Schedule 12A of the Act as indicated, and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

Minute No.	Title	Paragraph No(s).
73.	Procurement and Commissioning Progress Report	3
74.	Report on the Outcome of the 2016/7 Early Retirement Voluntary Redundancy Programme	3 and 4

64. **Outstanding Issues**

The Committee considered a report of the Executive Director of Resources indicating that in May 2004 the City Council had adopted an Outstanding Minutes system, linked to the Forward Plan, to ensure that follow-up reports could be monitored and reported to Members. At their meeting on 25th January, 2017 the Committee had requested that a report be submitted to each meeting detailing the additional reports requested to a future meeting along with details of additional information requested outside of the formal meeting.

Appendix 1 to the report outlined where a report back had been requested to a future meeting along with the anticipated date for further consideration of the issue. Appendix 2 set out items where additional information was requested outside of the formal meeting along with the date when this had been completed. Where a request had been made to delay the consideration of the report back, the proposed revised date was identified along with the reason for the request.

RESOLVED that, having considered the list of outstanding items set out in the appendices to the report, approval be given for those items identified as completed be confirmed as discharged and they be removed from the outstanding issues list.

65. **Work Programme 2016/17**

The Committee noted their Work Programme for the current municipal year.

66. **Information Management Strategy Update**

Further to Minute 36/16, the Committee considered a report of the Executive Director of Resources concerning further progress with the action plans developed to improve the Council's information management arrangements. Details of the progress made was set out in appendices attached to the report. Councillor Duggins, Cabinet Member for Policy and Leadership attended the meeting for the

consideration of this item and spoke in support of the progress that had been made.

The report referred to the audits undertaken by the Information Commissioner's Office (ICO) in relation to the Council's data protection arrangements and In-form Consult (IFC) in relation to Information Governance generally. Arising from the audits findings, action plans were developed to implement the recommended actions for improvements to be made.

At the Committee's meeting on 24th October the update given on progress reported that out of 77 actions from the ICO recommendations, 48 had been completed, 27 were in progress and 4 were yet to begin. The Committee were informed that all the 27 actions labelled as 'in progress' had now been completed. In completing these actions, some further opportunities had been identified to improve data sharing agreements and the Information Governance Team were continuing to work on reviewing existing agreements.

The Committee noted that three of the four actions which had not yet begun at the time of the last update had now been completed and had been signed off by the Information Management Strategy Group. These actions related predominantly to the Council's Information Risk approach and included the compilation of an Information Risk Policy and Register. It was proposed that a seminar was scheduled for the Committee to consider the information risk approach.

The final action related to the review of the Coventry Information Sharing Protocol. This action had now been superseded by individual Data Sharing Agreements. Should a new protocol be required, it could be shorter and less specific, but complemented by specific data sharing agreements with partners. The Committee also noted that the process for recruiting a permanent Records Manager was underway and it was anticipated that interviews would take place in early March, 2017.

Further work had been completed to ensure that information assets were logged on the information asset register, with information asset owners being identified. Training, support and guidance had been prepared for officers undertaking this role. In addition, responsibilities for all staff had been enforced with a new online Information Governance Handbook and a revised Data Protection E-Learning course, which was to be completed by all staff on an annual basis. Since the November launch, 1487 employees had completed the course and a targeted communications plan was in place to ensure the remaining staff complete the course. The Committee noted the intention to report the completion statistics at future meetings on an annual basis.

With all 77 recommendations from the ICO now complete, the Information Management Strategy Group anticipated that a significantly improved level of assurance would be received from the ICO at the point of their follow-up visit. Also the Council now had a solid platform on which to build its approach to information management as covered by the Information Management strategy.

The Committee asked about the plans for internal audit to review the progress made and enquired about the 'golden' record for addresses and customers. Members discussed the issue of having more effective safeguarding of children

through improved data sharing between different public agencies. Concerns were raised since it was felt that this issue had already been addressed. It was clarified that sharing of data in relation to safeguarding would be looked at as part of the internal audit.

RESOLVED that:

- 1. The progress to date against the ICO action plan be noted.**
- 2. Officers be requested to schedule a seminar for members of the Audit and Procurement Committee to cover the Information Risk approach in more detail.**
- 3. Officers be requested to report on the completion of mandatory training to the Committee on an annual basis.**
- 4. A glossary of terms detailing acronyms to be included in any future Information Management Strategy reports.**
- 5. The concerns raised about the sharing of information between partner organisations relating to Safeguarding issues be considered during the forthcoming internal audit.**

67. Certification Work for Coventry City Council for Year Ended 31 March 2016

The Committee considered a report of the External Auditors, Grant Thornton, which set out the certification work undertaken during the year ending 31st March 2016.

The Auditors were required to certify certain claims and returns submitted by Coventry City Council and this typically took place six to nine months after the claim period and represented a final but important part of the process to confirm the Council's entitlement to funding.

The report indicated that during the 2015/16 financial year one Housing Benefit subsidy claim had been certified relating to expenditure of £127m and further details were provided in Appendix A to the report. There were no issues arising from the certification work which required attention.

The report provided further information on the indicative fee for 2015/16, which was based on the final 2013/14 certification fee and reflected the amount of work required by the auditor to certify the Housing Benefit subsidy claim in that year. The indicative scale fee set by the Audit Commission for the Council for 2015/16 was £13,523. The auditors were proposing to increase this to £14,546 in light of additional testing having to be performed, further information was provided at Appendix B.

Members asked to be updated once the Department for Works and Pensions (DWP) had considered the qualifications on the Council's Housing Benefits subsidy claim and determined the total amount of subsidy to be paid in 2015/16.

RESOLVED that:

- 1. The certification work for the City Council for year ending 31st March 2015 be approved.**
- 2. Members to be updated when DWP has considered the qualifications on the Council's Housing Benefits subsidy claim.**

68. 2016/17 Third Quarter Financial Monitoring Report (to December 2016)

The Committee considered a report of the Executive Director of Resources that advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of December 2016. The headline revenue forecast for 2016/17 was an overspend of £4.8m. At the same point in 2015/16 there was a projected overspend of £3.3m. The report was due to be considered by Cabinet at their meeting on 21st February 2017.

The report indicated that although the level of overspend had lessened since quarter 2, much of this movement had been as a result of windfall income and movements in technical areas. However, the pattern of budgetary control variations in previous years would indicate that the position would improve further towards year-end. The Committee were informed that officers had been instructed to identify all appropriate ways of minimising the final overspend position.

The underlying expenditure pressures, overwhelmingly within adults and children's social care, had continued at previous unsustainable levels. Full account had been taken of the underlying budget position moving into 2017/18 within the Budget Setting report which was also due to be considered by Cabinet the following day.

Capital spending was projected to be £81m for the year which represented a net decrease of £7.9m on the quarter 2 position. This decrease in the Capital Programme included £8.3m of expenditure that had been rescheduled into future years.

Members discussed the ongoing budget pressures relating to adult and children's social care. Reference was made to the financial implications associated with a patient being in hospital compared to the costs of being a resident in a care home. Councillor Lepoidevin referred to a recent list which highlighted that 24 Local Authorities were responsible for half of the delayed discharges and enquired if Coventry was one of these authorities. She agreed to undertake to find out additional information about the list. It was decided that Cabinet should be asked to find out the current position relating to Bed Blocking in the city.

RESOLVED that:

- 1. The financial position be noted.**
- 2. Cabinet be requested to establish the Council's current performance in relation to 'Bed Blocking' (delayed transfers of care).**

69. **Quarter Three Internal Audit Progress Report 2016-17**

The Committee considered a report of the Executive Director of Resources, which provided an update on the internal audit activity for the period April to December 2016 against the Internal Audit Plan for 2016/17.

The report indicated that the key target facing the Internal Audit Service was to complete 90% of its work plan by the 31st March 2017. At the end of December 2016, the Service had completed 63% of the Audit Plan against a planned target of 70%. Whilst the annual target was to complete 90% of the work plan, the quarterly targets set for quarters one, two and three were based on completing 100% of the Plan, however 100% was generally unfeasible in light of customers requesting a change in the timing of their reviews or the focus of a review being superseded by other events. The Committee noted that whilst the Service was slightly behind the quarter three target, it remained broadly on track to achieve the formal annual target of 90% by the end of 2016/17.

Table one in the report provided a summary of the performance of Internal Audit for 2016/17 to date against five key performance indicators (KPIs) with comparative figures for the previous year. Performance against two indicators was currently below expectations and targeted actions to make improvements were ongoing.

Table two provided a list of the audits finalised between October and December 2016, along with the level of assurance provided. The audits currently in progress were highlighted in the report. Appended to the report was a summary of findings from key audit reports completed and, in all cases, relevant managers had agreed to address the issues raised in line with the timescales stated. These reviews would be followed up in due course and the outcomes reported to the Committee.

The Committee sought clarification about the assurance and risks associated with direct payments, the audit for which had been completed. Further clarification was sought about how the internal audit team was managing in light of reduced staff resource.

RESOLVED that, having considered the summary findings of the key audit reviews set out at Appendix One, the performance as at quarter three against the Internal Audit Plan for 2016-17 be noted.

70. **Annual Compliance Report - Regulatory & Investigatory Powers Act (RIPA)**

The Committee considered a report of the Executive Director of Place, which reported on the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA). RIPA governed the acquisition and disclosure of communications data and the use of covert surveillance by local authorities.

The report indicated that the Council's used powers under RIPA to support its core functions for the purpose of prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more, or were related to the underage sale of alcohol and tobacco. There were three powers available to local authorities under RIPA: the acquisition and disclosure of communications data; directed surveillance; and covert human intelligence sources ("CHIS").

The Committee noted that the Act set out the procedures that the City Council must follow if it wished to use direct surveillance techniques or acquire communications data in order to support core function activities (e.g. typically those undertaken by Trading Standards, Environment Health and Benefits). The information obtained as a result of such operations could later be relied upon in court proceedings providing RIPA was complied with.

The Home Office Code for Covert Surveillance Property Interference recommended that elected members, whilst not involved in making decisions or specific authorisations for the local authority to use its powers under Part II of the Act, should review the Council's use of the legislation and provide approval to its policies. The Council adopted this approach for oversight of the authority's use of Parts I and II of the Act.

The Committee noted that the Assistant Surveillance Commissioner, Sir David Clarke inspected the Council's RIPA arrangements in respect of directed surveillance on 8th December, 2016. He found that the Council's arrangements were 'generally in good order' and 'the use by the Council of its statutory powers is appropriate' and that the 'quality of authorisations is good'. He made three recommendations which were set out in the report. One of the recommendations was that the Council's Policy and Guidance documents be further revised. Work was currently ongoing and it was the Intention that the updated policy would be combined with that for communications data so as to provide one coherent policy. The Committee asked to be updated when this new policy was available.

The report indicated that for the period 1 April 2015 to 31 March 2016, as reported to the Office of Surveillance Commissioners (OSC), two direct surveillance applications were granted and two authorisations were granted by the Magistrates. For the period 1st April to 31st December, 2016 three direct surveillance applications were granted and three authorisations were granted by Magistrates. There was one direct surveillance operation remaining extant. There were no reported instances of the Council having misused its powers under the Act.

The Committee noted that no applications for the disclosure of communications data had been made during 2016.

Having considered the report submitted, the Committee were of the view that there were no specific comments or recommendations to forward to the Cabinet Member for Policing and Equalities.

RESOLVED that:

- 1. The Council's use and compliance with the Regulatory and Investigatory Powers Act (RIPA) be noted.**
- 2. Members to be informed when the combined policy will be available.**

71. Report on the outcome of the 2016/7 Early Retirement Voluntary Redundancy programme

Further to Minute 58/16, the Committee considered a report of the Executive Director of Resources which sought the necessary approval for exit packages

through the 2016/17 Early Retirement /Voluntary Redundancy (ER/VR) programme. As previously requested by the Committee, the report referred to all exit packages in the programme where the benefits payable to the employee and the costs to the Council exceeded £100,000. The report also referred to the request that the total costs of agreed exits under the current programme be reported on.

With the agreement of the Chair, Councillor Bains, the report had been circulated as urgent business, the reason for urgency being the need to agree exit packages through the ER/VR programme at the earliest opportunity and, in particular, before the end of the financial year, noting that the next meeting of the Committee was not scheduled to take place until April, 2017. There was also a corresponding private report detailing the confidential aspects of the programme.

The report indicated in the last six years the Council had had its government funding cut by more than £95m and further savings rising to an additional £36m by 2020 were required. The workforce was by far the biggest area of Council spend therefore in November, 2016 the Council launched the sixth round of ER/VR since 2010. Applications were invited across the Council and all staff were eligible to apply. The scheme closed on 31 January, 2017. All applications had been considered by Directorate Management Teams and approved by the respective Executive Directors. Managers were asked to consider the deletion of posts where there were anticipated service redesign/ transformation projects or service remodelling that would seek to reduce the number of posts required in the future. Where there were multiple applications from a particular service area, the criteria set out in the Security of Employment was adopted. All applications were moderated by a panel of representatives from the Corporate Leadership Team. In total 307 applications were made of which 83 were approved and 224 were refused.

The exit packages took into account the costs to the local authority as well as payments/benefits to employees. This meant that the pension strain costs were added to the redundancy cost for the total cost of severance. Appendix one to the report detailed the costs and savings of the agreed applications below the £100,000 threshold. Further information on the exit packages over £100,000 was included in a second appendix attached to the private report. These total exit payments amounted to were £1,191,148.

The Committee noted that the deletions of the listed reports would realise savings of around £2,215,000 ongoing which would contribute an overall savings target to the Council. Also the deletion of posts would support current service redesign and transformation programmes where it was already anticipated that the posts would be deleted.

Reference was made to the consultation undertaken with the Trade Unions.

The Committee discussed the impact on individual employees of having their applications for ER/VR continually rejected. Members also asked about having a breakdown between redundancy and pension costs.

RESOLVED that:

1. **The anticipated cost and savings of the agreed ER/VR applications below the £100,000 threshold, as set out in Appendix 1, be noted.**
 2. **Subject to consideration of the private report detailed in Minute 74 below, the exit payments set out in Appendix 2 to the private report be agreed in principle.**
 3. **Future reports on the Early Retirement Voluntary Redundancy Programme to provide breakdowns of redundancy and pension costs.**
72. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other additional items of public business.

73. **Procurement Progress Report**

The Committee considered a report of the Executive Director of Resources which provided an update on the procurement and commissioning undertaken by the Council since the last report submitted to the meeting on 19th December, 2016. Details of the latest positions in relation to individual matters were set out in an appendix to the report.

RESOLVED that:

1. **The current position in relation to the Commissioning and Procurement Services be noted.**
 2. **No recommendations be made to either the Cabinet Member for Strategic Finance and Resources, Cabinet or Council on any of the matters reported.**
 3. **No changes are required to the format of the report at this time.**
74. **Report on the outcome of the 2016/7 Early Retirement Voluntary Redundancy programme**

Further to Minute 71/16 above, the Committee considered a report of the Executive Director of Resources which set out the confidential aspects relating to the 2016/17 Early Retirement /Voluntary Redundancy (ER/VR) programme and sought the necessary approval for the exit packages.

With the agreement of the Chair, Councillor Bains, the report had been circulated as urgent business, the reason for urgency being the need to agree exit packages through the ER/VR programme at the earliest opportunity and, in particular, before the end of the financial year, noting that the next meeting of the Committee was not scheduled to take place until April, 2017.

RESOLVED that:

- 1. The anticipated cost and savings of the agreed ER/VR applications below the £100,000 threshold, as set out in Appendix 1, be noted.**
 - 2. The exit payments set out in Appendix 2 be approved.**
75. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other additional items of private business.

(Meeting closed at 5.15 pm)

Audit and Procurement Committee

3rd April 2017

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director approving submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

N/A

Title:

Outstanding Issues

Is this a key decision?

No

Executive summary:

This report is to identify those issues on which further reports / information has been requested or are outstanding so that Members are aware of them and can monitor their progress.

Recommendations:

The Committee is recommended to:-

1. Consider the list of outstanding items as set out in the Appendices, and to ask the Deputy Chief Executive concerned to explain the current position on those items which should have been discharged.
2. Agree that those items identified as completed within the Appendices be confirmed as discharged and removed from the outstanding issues list.

List of Appendices included:

Appendix 1 - Further Report Requested to Future Meeting
Appendix 2 - Additional Information Requested Outside of Meeting

Other useful background papers:

None

Has it or will it be considered by scrutiny?

N/A

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

**Report title:
Outstanding Issues**

1. Context (or background)

- 1.1 In May 2004, the City Council adopted an Outstanding Minutes system, linked to the Forward Plan, to ensure that follow-up reports can be monitored and reported to Members.
- 1.2 At their meeting on 25th January 2017, the Audit and Procurement Committee requested that, in addition to further reports being incorporated into the Committee's Work Programme, that a report be submitted to each meeting detailing those additional reports requested to a future meeting along with details of additional information requested outside of the formal meeting.
- 1.3 Appendix 1 to the report outlines items where a report back has been requested to a future Committee meeting, along with the anticipated date for further consideration of the issue.
- 1.4 In addition, Appendix 2 sets out items where additional information was requested outside of the formal meeting along with the date when this was completed.
- 1.5 Where a request has been made to delay the consideration of the report back, the proposed revised date is identified, along with the reason for the request.

2. Options considered and recommended proposal

- 2.1 N/A

3. Results of consultation undertaken

- 3.1 N/A

4. Timetable for implementing this decision

- 4.1 N/A

5. Comments from Executive Director of Resources

- 5.1 Financial implications

N/A

- 5.2 Legal implications

N/A

6. Other implications

- 6.1 How will this contribute to achievement of the Council's Plan?**

N/A

- 6.2 How is risk being managed?**

This report will be considered and monitored at each meeting of the Cabinet

6.3 What is the impact on the organisation?

N/A

6.4 Equalities / EIA

N/A

6.5 Implications for (or impact on) the environment

N/A

6.6 Implications for partner organisations?

N/A

Report author(s):

Name and job title:

Lara Knight
Governance Services Co-ordinator

Directorate:

Place

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Names of approvers: (officers and Members)				

This report is published on the council's website: www.coventry.gov.uk/moderngov

Appendix 1

Further Report Requested to Future Meeting

	Subject	Minute Reference and Date Originally Considered	Date For Further Consideration	Responsible Officer	Proposed Amendment To Date For Consideration	Reason For Request To Delay Submission Of Report
1.	<p>Internal Audit Annual Report 2015/16</p> <p>In light of concerns raised regarding the opinion of the Acting Chief Auditor that moderate assurance could be provided on the overall adequacy and effectiveness of the Council's internal control environment, the Executive Director be requested to consider the position and report back to a future meeting</p>	<p>13/16 25th July 2016 And 21/16 26th September 2016</p>	To Be Confirmed	Chris West / Karen Tyler		Briefing note circulated to all Committee Members on 17 th February 2017
2.	<p>Internal Audit Annual Report 2015/16</p> <p>Officers to investigate an opportunity for employees to make suggestions to help the Council become more efficient and save money, with an update report being submitted to a future meeting of the Committee</p>	<p>13/16 25th July 2016 And 21/16 26th September 2016</p>	To Be Confirmed	Paul Jennings / Karen Tyler / Darren O'Shaughnessy		
3.	<p>Annual Audit Letter 2015/16</p> <p>An update report from the External Auditors</p>	<p>24/16 26th September 2016</p>	3 rd April 2017	Paul Jennings / Simon Turner	July 2017	

<p>4.</p>	<p>Information Management Strategy Update</p> <p>Report back of the outcome of the follow up audit by the Information Commissioner</p>	<p>36/16 24th October 2016</p>	<p>3rd April 2017</p>	<p>Helen Lynch / Joe Sansom</p>	<p>January / February 2018</p>	<p>Follow up audit by Information Commissioner has been postponed to November 2017</p>
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* identifies items where a report is on the agenda for your meeting.

Appendix 2

Additional Information Requested Outside of Meeting

	Subject	Minute Reference and Date Originally Considered	Information Requested / Action Required	Responsible Officer	Date Completed
1.	Unaudited 2015/16 Statement of Accounts	Minute 4/16 13 th June 2016	Officers to investigate whether there is an alternative way to report reserves in relation to schools.	Paul Jennings	To be incorporated into the 2016/17 Outturn Report and Statement of Accounts
2	2016/17 First Quarter Financial Monitoring Report (to June 2016)	25/16 26 th September 2016	The financial details relating to the library, the children's centre and youth provision at Jardine Crescent be emailed to Members of the Committee.	Michelle McGinty / Paul Jennings	29 th September 2016
3.	Half Yearly Fraud Report	44/16 19 th December 2016	A summary document and a link to the recently published National Fraud Strategy be circulated.	Karen Tyler	23 rd February 2017
4.	2016/17 Second Quarter Financial Monitoring Report (to September 2016)	45/16 19 th December 2016	Committee members to be provided with a list of which officers are working with the West Midlands Combined Authority.	Martin Reeves	24 th March 2017
5.	Corporate Risk Register	46/16 19 th December 2016	A training programme be developed on the Corporate Risk Register for Members of the Committee.	David Johnston	To be incorporated into the annual training at the start of each municipal year.
			A date for a training session to be identified.	David Johnston / Lara Knight	20 th March 2017

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Audit and Procurement Committee

Work Programme 2016-17

13th June 2016

Revenue and Capital Out-turn 2015-16
Draft Statement of Accounts 2015-16
Annual Governance Statement 2015-16

25th July 2016

Internal Audit Annual Report 2015-16
Audit Findings Report 2015-16 (Grant Thornton)
Statement of Accounts 2015-16
Revenue and Capital Outturn 2015/16
Review of the Effectiveness of the System of Internal Audit
Audit Committee Annual Report 2015-16
Information Management Strategy Update
Procurement Progress Report (Private)

26th September 2016

Quarter One Revenue and Corporate Capital Monitoring Report 2016-17
Annual Audit Letter 2015-16 (Grant Thornton)
Fraud Annual Report 2015-16
Procurement Progress Report (Private)

24th October 2016

Internal Audit Plan 2016-17
Half Year Internal Audit Progress Report 2016-17
Treasury Management Update
Information Management Strategy Update
Procurement Progress Report (Private)

19th December 2016

Quarter Two Revenue and Corporate Capital Monitoring Report 2016-17
Half Yearly Fraud Update 2016-17
FOI / DPA Annual Report 2015-16
Ombudsman Complaints Annual Report 2015-16
Corporate Risk Register Update
Annual Audit Letter 2015/16 - Progress Report on Actions
Procurement Progress Report (Private)

20th February 2017

Grant Certification Report (Grant Thornton)
Quarter Three Revenue and Corporate Capital Monitoring Report 2016-17
Quarter Three Internal Audit Progress Report 2016-17
RIPA (Regulation of Investigatory Powers Act) Annual Report 2015-16
Contract Management Review
Procurement Progress Report (Private)

3rd April 2017

Annual Audit Plan (Grant Thornton)
Internal Audit Recommendation Tracking Report
Internal Audit Plan 2017-18
Procurement Progress Report (Private)
Code of Corporate Governance (Adrian West)

Dates to be confirmed

Opportunity for Employee Suggestions

The Audit Plan for Coventry City Council

Year ended 31 March 2017

3 April 2017

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3 April 2017

Dear Members of the Audit and Procurement Committee

Audit Plan for Coventry City Council for the year ending 31 March 2017

This Audit Plan sets out for the benefit of those charged with governance (in the case of Coventry City Council, the Audit and Procurement Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements which give a true and fair view.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change. In particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We look forward to working with you during the course of the audit.

Yours sincerely
Mark Stocks
Engagement Lead

Chartered Accountants

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Understanding your business and key developments

Developments

West Midlands Combined Authority (WMCA)

The WMCA was established on 17 June 2016 following the signing of a devolution deal with the Chancellor of the Exchequer in November 2015. It is a new way for local authorities to work together on key strategic functions that cross geographic council boundaries and which could be more effectively delivered together rather than separately. The WMCA aims to deliver tangible improvements to the prospects of people and businesses in the West Midlands. The election of a Mayor for the WMCA is due to take place in May 2017.

Key challenges

Autumn Statement

The Chancellor detailed plans in the Autumn Statement to increase funding for Housing and Infrastructure, and further extend devolved powers to Local Authorities. No plans were announced to increase funding for adult social care. The Council plans to help address the funding shortfall in adult social care by applying the 3% social care precept.

Medium Term Financial Plan

The Council will need to work hard to balance its finances over the medium term as funding from central government continues to fall. The Council is currently forecasting that it will have a balanced budget between 2017/18 and 2019/20.

Financial Outturn

For 2016/17 the Council is currently forecasting an overspend of £4.8m against budget.

This overspend is mainly due to not achieving savings targets within the people directorate within the expected timescales and an increased demand for children and adult social care services.

Financial reporting changes

CIPFA Code of Practice 2016/17 (the Code)

Changes to the Code in 2016/17 reflect aims of the 'Telling the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment.

Earlier closedown

The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 July by the 2017/2018 financial year. The Council are well placed to meet this requirement as the opinion on the 2015/16 financial statements was given on 28 July 2016.

Our response

- We aim to complete all our substantive audit work of your financial statements by mid-July 2017.
- As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code.
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops.

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the financial statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based upon professional judgement in the context of our knowledge of the Council. In line with previous years, we have calculated financial statements materiality based on a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £13.572m (being 1.8% of gross revenue expenditure). In the previous year, we determined materiality to be £13.550m (being 1.75% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and we will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £678k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified the following items where separate materiality levels are appropriate:

Balance/transaction/disclosure	Explanation	Materiality level
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20,000
Related party transactions	Related party transactions have to be disclosed if they are material to the Council or to the related party	£20,000, however any errors identified by testing will be assessed individually, with due regard given to the nature of the error and its potential impact on users of the financial statements and its materiality for the related party

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Audit procedures
The revenue cycle includes fraudulent transactions	Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Coventry City Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Coventry City Council, mean that all forms of fraud are seen as unacceptable.
Management over-ride of controls	Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	Work completed to date: <ul style="list-style-type: none"> • Review of accounting estimates, judgments and decisions made by management • Review of the journal entry process Further work planned: <ul style="list-style-type: none"> • Further review of accounting estimates, judgments and decisions made by management • Testing of unusual journal entries back to supporting documentation • Review of unusual significant transactions

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

Significant risks identified (continued)

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to date and the work we plan to address these risks.

Significant risk	Description	Audit procedures
<p>Changes to the presentation of local authority financial statements</p>	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • We will document and evaluate the process for the recording of the required financial reporting changes to the 2016/17 financial statements. • We will review the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority's internal reporting structure. • We will review the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS). • We will test the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES. • We will test the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger. • We will test the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements. • We will review the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.
<p>Valuation of pension fund net liability</p>	<p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • We will undertake procedures to confirm the reasonableness of the actuarial assumptions made. • We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Significant risks identified (continued)

Significant risk	Description	Audit procedures
<p>Valuation of property, plant and equipment</p>	<p>The Council re-values its assets on a rolling basis over a five year period. The Code requires that the Council ensures that the carrying value at the balance sheet date is not materially different from current value. This represents a significant estimate by management in the financial statements.</p>	<p>Work planned:</p> <ul style="list-style-type: none"> • Review of management's processes and assumptions for the calculation of the estimate. • Review of the competence, expertise and objectivity of any management experts used. • Review of the instructions issued to valuation experts and the scope of their work • Discussions with valuer about the basis on which the valuation is carried out and challenge of the key assumptions. • Review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • Testing of revaluations made during the year to ensure they are input correctly into the Council's asset register • Evaluation of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Description of risk	Audit procedures
Operating expenses	Year end creditors and accruals are understated or not recorded in the correct period.	<p>Work completed to date:</p> <ul style="list-style-type: none"> We have updated our understanding and discussed the cycle with relevant personnel from the finance team. We have conducted a walkthrough of the key controls for this system. <p>Further work planned:</p> <ul style="list-style-type: none"> We will search for unrecorded liabilities by reviewing payments after the year end. We will review the Council's accruals process and test accordingly (including goods received).
Employee remuneration	Employee remuneration accruals are understated	<p>Work completed to date:</p> <ul style="list-style-type: none"> We have updated our understanding and discussed the cycle with relevant personnel from the payroll and finance team. We have conducted a walkthrough of the key controls for this system. <p>Further work planned:</p> <ul style="list-style-type: none"> We will review the reconciliation of the payroll system to the general ledger, including proof in total of the monthly payroll to the general ledger. We will perform a trend analysis of monthly payroll We will test amount paid to individual employees on a sample basis.

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK and Ireland) 315)

Other risks identified (continued)

Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

- Heritage assets
- Investments (long term and short term)
- Cash and cash equivalents
- Borrowing and other liabilities (long term and short term)
- Usable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Schools balances and transactions
- Segmental reporting note
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Collection Fund and associated notes

Group audit scope and risk assessment

In accordance with ISA (UK and Ireland) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component[s]	Significant?	Level of response required under ISA (UK and Ireland) 600	Risks identified	Planned audit approach
Coventry and Solihull Waste Disposal Company Limited	Yes	Targeted	Investments carrying value	Review and testing of arrangements in place to produce group accounts.
Coventry North Regeneration Limited	No	Analytical	None	Analytical procedures at the Group level
North Coventry Holdings Limited	No	Analytical	None	Analytical procedures at the Group Level

Audit scope:

Comprehensive – the component is of such significance to the group as a whole that an audit of the components financial statements is required

Targeted – the component is significant to the Group, audit evidence will be obtained by performing targeted audit procedures rather than a full audit

Analytical – the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level

Value for Money

Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work for 2016/17 in November 2016. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out opposite:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> Acting in the public interest, through demonstrating and applying the principles and values of sound governance Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management Reliable and timely financial reporting that supports the delivery of strategic priorities Managing risks effectively and maintaining a sound system of internal control
Sustainable resource deployment	<ul style="list-style-type: none"> Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions Managing and utilising assets effectively to support the delivery of strategic priorities Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	<ul style="list-style-type: none"> Working with third parties effectively to deliver strategic priorities Commissioning services effectively to support the delivery of strategic priorities Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for Money (continued)

Risk assessment

We have carried out an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies, including the Ofsted.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. These are set out overleaf.

Reporting

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and in the Annual Audit Letter.

We will include our conclusion in our auditor's report on your financial statements which we will give by 31 July 2017.

Value for money (continued)

Set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

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Significant risk	Link to sub-criteria	Work proposed to address
<p>The Council will need to work hard to balance its finances over the medium term as funding from central government continues to fall. The Council is currently forecasting a balanced budget for the period 2017/18 to 2019/20.</p>	<p>This links to the Council's arrangements for:</p> <ul style="list-style-type: none"> • planning finances effectively to support its strategic functions • making informed decisions. 	<p>We will assess whether the Council is:</p> <ul style="list-style-type: none"> • producing and using appropriate and reliable financial information to support informed decision making and performance management • producing reliable and timely financial reporting that supports the delivery of strategic priorities • planning its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions • taking action to manage social care expenditure.
<p>An Ofsted inspection of children's services in March 2014 judged the services provided by the Council to be inadequate. The Council have been working hard to address the issues and a re-inspection by Ofsted is currently underway.</p>	<p>This links to the Council's arrangements for ensuring high quality and effective children's social care services.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the Council's arrangements following the result of the latest Ofsted inspection and consider their adequacy.
<p>The Council must work effectively with the West Midlands Combined Authority if it is to deliver its strategic priorities, particularly in respect of city centre regeneration. One outcome of the Devolution Deal is that it gives the Council the opportunity to participate in the Business Rates Retention Pilot Scheme.</p>	<p>This links to the Council's arrangements for working effectively with third parties to improve services.</p>	<p>We will assess whether the Council has adequate arrangements in place to work with the West Midlands Combined Authority to deliver strategic priorities, such as through the Business Rates Retention pilot</p>

Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in your Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We consider our other duties under the Act and the Code, as and when required, including:
 - We will give electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements;
 - issue of a report in the public interest; and
 - making a written recommendation to the Council, copied to the Secretary of State
- We certify completion of our audit.

Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

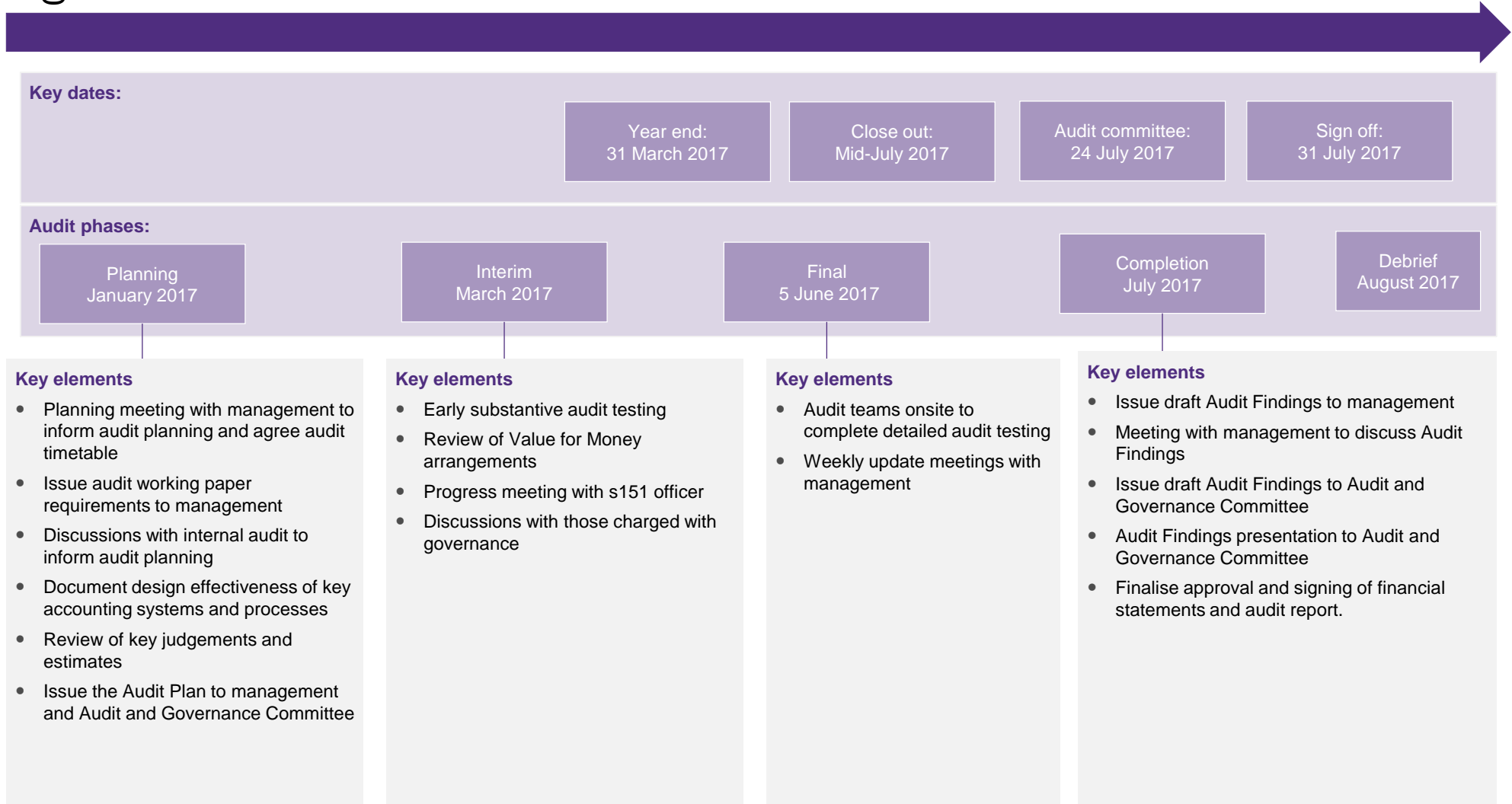
	Work performed	Conclusion
Internal audit	We have completed a high level review of internal audit's overall arrangements.	Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices 	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements
Review of information technology controls	Our information systems specialist will perform a high level review of the general IT control environment, as part of the overall review of the internal controls system.	We will report the results of this work in our Audit Findings report.

Results of interim audit work (continued)

	Work performed	Conclusion
Walkthrough testing	<p>We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. The areas covered were:</p> <ul style="list-style-type: none"> • revaluation of property, plant and equipment • operating expenses • employee remuneration. <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Council in accordance with our documented understanding.</p>	<p>Our work has not identified any weaknesses which impact on our audit approach.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p>	<p>Our work has not identified any weaknesses which impact on our audit approach.</p>

The audit cycle

The audit timeline



Audit Fees

Fees

	2016/17
Council audit	£173,460
Grant certification	£15,698
Total audit fees (excluding VAT)	£189,158

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list,
- The scope of the audit, and the Council and its activities, have not changed significantly,
- The Council will make available management and accounting staff to help us locate information and to provide explanations, and
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Fees for other services detailed on the following page, reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Feed back on your systems and processes, and identifying potential risks, opportunities and savings
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Regular sector updates
- Ad-hoc telephone calls and queries
- Technical briefings and updates
- Regular contact to discuss strategy and other important areas
- A review of accounting policies for appropriateness and consistency
- Annual technical updates for members of your finance team

Independence and non-audit services

Ethical Standards and ISA (UK and Ireland) 260 require us to give you timely disclosure of matters relating to our independence.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to Coventry City Council. The following audit related and non-audit services were identified for the Council for 2016/17 to date:

Fees for other services

Service	Fees £	Planned outputs
Audit related		
Certification of teachers pension return for 2016/17	4,200	Certified teachers pension return
Non-audit related		
CFO Insights (Full cost for 3-year subscription)	30,000 (10,000 to be charged each year)	Online tool for Council's aspiring to improve the financial performance of their Local Authority

The amounts detailed are fees agreed to-date for audit related and non-audit services (to be) undertaken by Grant Thornton UK LLP (and Grant Thornton International Limited network member Firms) in the current financial year. Full details of all fees charged for audit and non-audit services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

The above services are consistent with the Council's policy on the allotment of non-audit work to your auditors.

Communication of audit matters with those charged with governance

International Standard on Auditing (UK and Ireland) (ISA) 260, as well as other ISAs (UK and Ireland) prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	✓	✓

Page 44 Communication of audit matters with those charged with governance (cont.)

In addition to the areas covered on the previous page, we are required to consider the following in our discussions with those charged with governance (the Audit and Procurement Committee)

Area of consideration	Current understanding based on planning and interim work to date
Awareness of fraud or suspected fraud	There are no material instances of fraud that have been identified during the year. Any significant suspected or alleged fraud are investigated by Internal Audit and reported to the Audit and Procurement Committee on a regular basis.
Views about the risks of fraud	Although there is an on-going risk of fraud being committed against the Council arrangements are in place to both prevent and detect fraud. These include the regular review of arrangements and work carried out by Internal Audit as part of their annual plan. The risk of material misstatement of the accounts due to undetected fraud is low and this is consistent with the risk management processes that are in place within the Council.
Awareness of whistleblower tips or complaints	The Council has a Confidential Reporting (whistleblowing) Policy in place which outlines the responsibilities and channels for raising concerns and issues, and also the approach to be taken. There are no material instances of fraud that have been identified during the year arising from whistleblower tips or complaints.
How the Audit and Procurement Committee provide oversight of management's fraud risk assessment process	<p>The Annual Governance Statement and Head of Internal Audit Opinion are formally presented to the Audit and Procurement Committee on an annual basis.</p> <p>The system of internal control is reviewed annually as part of the annual governance statement. The work plan of Internal Audit includes reviewing the operation of internal controls and appropriate segregation of duties. Internal Audit include fraud risk in their planning process.</p>



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Coventry City Council

Public report

Report to

Audit and Procurement Committee

3rd April 2017

Name of Cabinet Member:

Cabinet Member for Strategic Finance & Resources – Councillor J Mutton

Director approving submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

City Wide

Title:

Internal Audit Recommendation Tracking Report

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an update on the progress made in implementing internal audit recommendations since the last update in December 2015.

Recommendations:

The Audit and Procurement Committee is recommended to note the progress made in implementing audit recommendations and confirm its satisfaction with this and the proposed action by the Acting Chief Internal Auditor for audits where actions remain outstanding.

List of Appendices included:

Appendix One - Results of Formal Follow up Exercise

Appendix Two - Results of Self-Assessment Follow up Exercise

Other useful background papers:

None

Has it or will it be considered by scrutiny?

No other scrutiny consideration other than the Audit and Procurement Committee

Has it, or will it be considered by any other council committee, advisory panel or other body?

No

Will this report go to Council?

No

Report title:

Internal Audit Recommendation Tracking Report

1. Context (or background)

- 1.1 The Public Sector Internal Audit Standards requires that “the Chief Audit Executive (i.e. Chief Internal Auditor) must establish a follow up process to monitor and ensure that management actions have been effectively implemented or that senior management have accepted the risk of not taking action”.
- 1.2 As reflected within its terms of reference, the Audit and Procurement Committee is required to receive reports on Internal Audit’s follow up process. This report provides an update as to progress in respect of the agreed management actions which have been followed up during the period December 2015 to March 2017.

2. Options considered and recommended proposal

- 2.1 **Follow Up Procedure** – Given the number of audits that the Internal Audit Service completes every year, it is critical that it has a robust procedure in place for ensuring that it obtains appropriate assurance that audit recommendations have been implemented, but does so in a way that allows the Service to respond to new risks facing the Council. Where appropriate, Internal Audit defines within its audit reports the follow up process to those responsible for the system / area under review and a date is agreed of when this will take place.

Currently, there are three key considerations that will determine the follow up procedure adopted, namely:

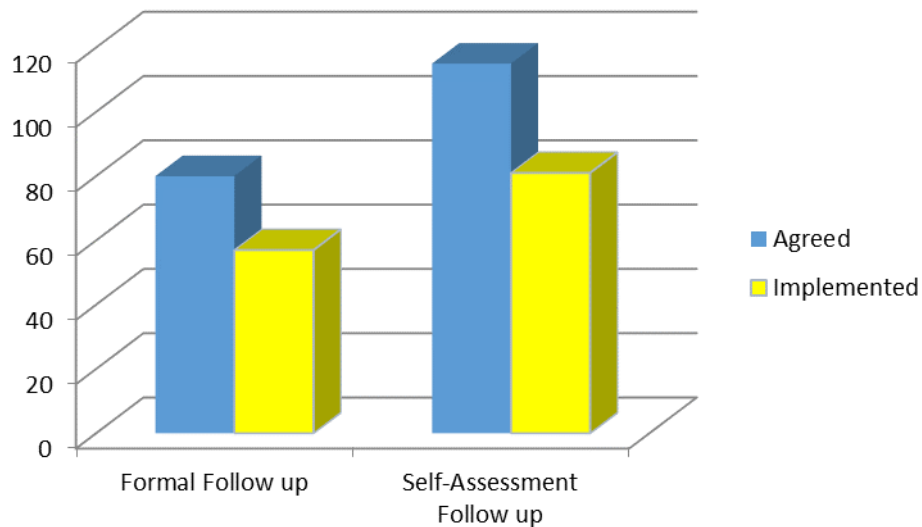
- 1) Whether the area audited is of such significance that it is subject to an annual review.
- 2) The level of assurance provided in the audit report.
- 3) A 'catch all' process for those reviews where neither of the points above apply, but a follow up review is necessary.

- 2.2 These considerations are expanded upon below.

- **Annual Audits:** These audits are generally included in the Audit Plan on an annual basis because of the nature of the systems, and the fact they are corporate wide and have been identified as key in delivering the Council's objectives (e.g. financial systems, corporate risks).
- **Level of Assurance:** Any audit which receives '*no*' or '*limited*' assurance is subject to a follow up review to assess improvements based on a timing agreed between Internal Audit and relevant management. In either of these circumstances, a formal follow up review will take place which involves Internal Audit assessing progress through audit testing to ensure that agreed actions have been implemented and are working effectively.
- **Catch All Process:** For all other audits, a process exists which is based on a self-assessment by relevant managers. This involves Internal Audit asking managers for an update on the action taken to implement audit recommendations. The response provided by managers is not subject to any independent validation by Internal Audit.

2.3 Overall, we believe that the procedure achieves the right balance between ensuring action is taken in response to risks identified by Internal Audit and allowing the Service to focus on identification of new risks. This is particularly important given the reductions in the size of the audit team over the last few years.

2.4 **Results** - The results of the latest follow up exercise are attached at Appendix One and Two and are summarised in the graph below.



Of the 195 actions followed up, 71% have been implemented based on both the formal and self-assessment follow up method. Analysis by follow up method shows that the results across both methods are consistent:

- Formal follow up method – 71% implementation rate.
- Self-assessment follow up method – 70% implementation rate.

In terms of the specific results, the following points should be considered:

- Formal follow up – The implementation rate of 71% is comparable with results achieved over the last three years where implementation averaged 63%. It is difficult to reach any specific conclusions on the implementation rate, although it should be noted that this does not mean that the recommendations outstanding are not subsequently implemented.
- Self-assessment – The implementation rate of 70% reflects a reduction when compared to last three years where reported implementation averaged 92%. However, we expected this rate to decrease this year in light of the reduced focus on school audits in our audit plan, where historically the actions identified in such reports were likely to be straightforward, not time consuming to implement and tended to focus on compliance rather than control issues. Given that the current rate of implementation is comparable to that of the formal follow up method, it is our view that the self-assessment process is fit for purpose at the current time.

- 2.5 **Proposed Way Forward for Dealing with Outstanding Actions** - After the follow up has been completed, the results are collated within Internal Audit. If progress is not consistent with expectations, audit management will determine the next course of action.

Based on the reasons for the lack of progress, the following courses of action are available:

- Revised implementation dates are agreed for outstanding actions.
- Concerns raised through the management structure to ensure senior managers are aware of both the lack of progress made and the risks still facing a service.
- As a last resort, to ask the Audit and Procurement Committee to intervene and seek prompt action from the relevant manager.

Our proposed actions for the audits where recommendations remain outstanding are highlighted within Appendices One and Two.

- 2.6 During 2017/18, we also intend to carry out a specific exercise around IT audits undertaken in the last three years, given the high number of audit reviews in this area (which are predominately delivered externally) and in light of the significant pace of change in the IT environment, to gain a better understanding of overall progress and develop a single action plan to manage any outstanding recommendations still required.

3. Results of consultation undertaken

- 3.1 None

4. Timetable for implementing this decision

- 4.1 There is no implementation timetable as this is a monitoring report.

5. Comments from the Director of Finance and Corporate Services

- 5.1 Financial Implications

There are no specific financial implications associated with this report. Internal audit work has clear and direct effects, through the recommendations made, to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

- 5.2 Legal implications

Reporting on progress made in implementing audit recommendations ensures that the Council meets its statutory obligations in respect of maintaining an effective internal audit function and represents good governance.

6. Other implications

- 6.1 **How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?**

Internal Auditing is defined in the Public Sector Internal Audit Standards as "an independent, objective assurance and consulting activity designed to add value and

improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes". As such the work of Internal Audit is directly linked to the Council's key objectives / priorities with specific focus agreed on an annual basis, and reflected in the annual Internal Audit Plan.

6.2 How is risk being managed?

In terms of risk management, there are two focuses:

- Internal Audit Service perspective - The main risks facing the Service are that the planned programme of audits is not completed, and that the quality of audit reviews fails to meet customer expectations. Both these risks are managed through defined processes (i.e. planning and quality assurance) within the Service, with the outcomes included in reports to the Audit and Procurement Committee.
- Wider Council perspective - The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit and Procurement Committee. Where progress has not been made, further action is agreed and overseen by the Audit and Procurement Committee to ensure action is taken.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

Report author(s):

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Directorate:

Place

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Enquiries should be directed to the above person.

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Names of approvers: (officers and members)				
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www.coventry.gov.uk/meetings

Appendix One – Results of Formal Follow up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Comments
Pertemps Master Vendor	2	1	2	1	Outstanding actions have subsequently been followed up through self-assessment process – see Appendix Two for results.
Performing Arts Services (2 formal follow ups undertaken)	3	3	9	6	Outstanding actions have subsequently been followed up through self-assessment process – see Appendix Two for results.
Highways Minor Civil Engineering Contract	6	6	4	3	Outstanding actions have subsequently been followed up through self-assessment process – see Appendix Two for results.
Accounts Receivable (includes two follow ups)	2	2	5	4	
Accounts Payable (includes two follow ups)			5	4	
Business Rates			3	2	
Keresley Grange Primary School	2	2	4	3	Outstanding actions have subsequently been followed up through self-assessment process – see Appendix Two for results.
ICT Major Incident Reviews	2	1	3	1	To be included in specific follow up exercise around IT audits
Stanton Bridge Primary School			12	6	School have now converted to Academy status.
Council Tax exemptions and discounts	2	1	1	1	Outstanding action has been followed up through on-going dialogue and collaboration with service area.
Direct Payments			3	2	Will be subject to a further formal follow up review.
Payroll			2	2	
CareDirector Expenditure	3	3	5	3	

Unless stated otherwise – any outstanding actions will now be followed up through self-assessment process / next annual review

Appendix Two – Results of Self-Assessment Follow up Exercise

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Comments
Protocol / Controc			6	Not confirmed due to changes in staffing within the service area.	This system will be subject to a full audit review in 2017-18
CareDirector Income			7	5	Subject to review March 2017
St Annes			8	8	
Schools Appeals			4	2	
ICT CareDirector			7	5	To be included in specific follow up exercise around IT audits
ICT Agresso			4	2	To be included in specific follow up exercise around IT audits
Infrastructure Assets			5	5	
ICT Security Review			19	9	To be included in specific follow up exercise around IT audits
Procurement Statutory Services			3	3	
FACE	3	1	4	3	Further self-assessment follow up to be requested in 2017/18
Procurement health check			1	1	
Discretionary payments			3	3	
Mount Nod			1	1	
Southfields			1	1	
Disabled Facilities Grants			8	8	
Housing Benefit Overpayments			2	1	
Income Manager			3	1	
Pertemps Master Vendor			2	2	
Housing Benefits quality assurance			2	2	
IT Protocol Application Review			6	3	To be included in specific follow up exercise around IT audits
Electronic call monitoring			5	5	

Audit Review	High Risk Actions Agreed	High Risk Actions Implemented	Medium Risk Actions Agreed	Medium Risk Actions Implemented	Comments
Long Service Award			2	2	
Performing Arts Service			3	3	
Highways Minor Civil Engineering Contract			1	1	
Customer Journey	1	1	1	1	
School Admissions			2	1	
Keresley Grange Primary School			1	1	

Unless stated otherwise – Outstanding actions will be followed up in next review



Coventry City Council

Briefing note

To: Audit and Procurement Committee

Date 3 April 2017

Subject: Code of Corporate Governance

1 Purpose of the Note

- 1.1 The Code of Corporate Governance provides a framework to help ensure that the Council's governance arrangements are up to date and reflect best practice. The Council is updating its Code to reflect changes in national guidance. The proposed changes will help support the preparation of the Annual Governance Statement which the Audit Committee signs off as part of the Statement of Accounts and this note sets out the proposed revisions.

2 Recommendations

- 2.1 Audit and Procurement Committee is recommended to review the draft Code of Corporate Governance and review process attached at Appendix 2 and make any comments prior to consideration by the Cabinet Member for Policy and Leadership.

3 Information/Background

- 3.1 Coventry City Council first introduced a Code of Corporate Governance in 2009 based on best practice at the time. The context in which local government operates has changed significantly since then and in 2016, the Chartered Institute of Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) updated their guidance on Corporate Governance and produced published the new *Delivering Good Governance in Local Government Framework*. This provides a best practice framework for local authorities to help make sure that their resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision-making and that there is clear accountability for the use of those resources in order to achieve the desired outcomes for service users and communities. It sets out the principles that underpin good governance and how local authorities can assure themselves and others that they are meeting them.
- 3.2 The Council has a range of measures to ensure that governance in the organisation is managed effectively and it works hard to ensure that these arrangements are robust and meet best practice. In reality this is achieved through a range of policies, plans, procedures such as the Constitution (including codes of conduct for Members and employees), the Council Plan, the Medium Term Financial Strategy and policies on whistle blowing, tackling fraud and corruption and managing risk. The Code of Corporate Governance does not set out to list or replicate these. Instead it provides a framework against which these can be assessed to ensure that the principles of the code are being met, that there are systems

and processes in place to measure their effectiveness and that gaps in policies, performance or assurance are identified and appropriate actions developed.

- 3.3 The revised Code reflects the new guidance, adopts the principles that it identifies as underpinning good governance and sets out how it can be used to strengthen corporate governance in the City Council.
- 3.4 The national framework provides examples of systems, processes, documentation and other evidence that can help to demonstrate how local authorities are meeting these. The City Council will use this to support an annual review of how it is meeting the Code. As well as ensuring that the Council has the right policies, plans and procedures in place, it will also review the arrangements that are in place to measure their effectiveness. An example of how this will be used is set out in Appendix 1.
- 3.5 Local authorities are required to conduct a review at least once every financial year of the effectiveness of their systems of internal control and to report on this review with its Statement of Accounts. The Audit and Procurement Committee is responsible for approving the Annual Governance Statement alongside the Statement of Accounts and the Code of Corporate Governance and its annual review will inform this process.

Adrian West
Members and Election Team Manager
Place Directorate
024 7683 2286

Review Process

The national framework provides examples of systems, processes, documentation and other evidence that help to demonstrate compliance, together with self-assessment tools and sources of further guidance. For example, for the principle *behaving with integrity*, the national framework includes for Members having a Code of Conduct, means by which Members interests can be registered, declared, recorded and reviewed and an effective Committee to oversee standards.

The annual review of the Code will use the information provided in the national framework to assess the effectiveness of governance arrangements by addressing the following questions:

What is in place to demonstrate that the principles are being met?

This will provide a check to make sure that the Council has the appropriate systems processes and documentation in place and that they reflect best practice. It will also identify any work that is taking place to address identified gaps.

Example: for the principle *behaving with integrity*, this would include for Members Coventry's Member Code of Conduct, registers of interests, the processes for making and recording declarations at meetings, processes for declaring gifts and hospitality, the training and support provided to Members and oversight of these issues by the Ethics Committee.

What arrangements are in place to measure the effectiveness of systems and processes?

An assessment of the arrangements that the Council has in place to provide assurance that the policies and arrangements are working and effectively and that where shortfalls are identified, these are being addressed.

Example: for the principle *behaving with integrity*, this would include for Members the sign off arrangements for the Code and registers of interests, gifts and hospitality; how we ensure they are kept up to date; whether appropriate training and support is provided to Members; and that there is appropriate oversight of these issues by the Ethics Committee.

Identify any gaps in policies, performance or assurance

An assessment of any gaps and the action required to address them. Actions will be prioritised, worked into an action plan for the following year which would be used to inform the Annual Governance Statement.

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Coventry City Council

Code of Corporate Governance

Introduction

Governance is about the arrangements that organisations put in place to make sure that their aims are defined and achieved. For local authorities it is also about making sure that councils act in the public interest.

Coventry City Council works hard to ensure that its arrangements for governance are robust and meet good practice. This Code of Corporate Governance sets out the Council's commitment to the principles of good governance and how it ensures that they are being followed.

Good Corporate Governance

In 2016, the Chartered Institute of Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) updated their guidance on Corporate Governance and produced published the new *Delivering Good Governance in Local Government Framework*. This provides a best practice framework for local authorities to help make sure that their resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision-making and that there is clear accountability for the use of those resources in order to achieve the desired outcomes for service users and communities. It sets out the principles that underpin good governance and how local authorities can assure themselves and others that they are meeting them.

Coventry City Council's Code of Corporate Governance

Coventry City Council's Code of Corporate Governance adopts the principles set out in the new CIPFA/SOLACE Framework and explains what these mean for the way the Council operates. The Code provides the framework for the key policies, plans, protocols and systems which support good governance across the Council.

Demonstrating the principles of good Corporate Governance

Principles	Sub principles	The Council does this by
A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behaving with integrity	Ensuring members and officers behave with integrity and creating a culture which focuses on acting in the public interest.
	Demonstrating strong commitment to ethical values	Ensuring that Members, officers and external service providers understand and demonstrate the ethical values of the Council, which are set out in our policies and procedures.
	Respecting the rule of Law	Ensuring members and officers demonstrate a strong commitment to the rule of the law and adhere to relevant laws and regulations.
B: Ensuring openness and comprehensive stakeholder engagement	Openness	Ensuring an open, accessible and transparent culture which underpins decision-making.
	Engaging with citizens and stakeholders	Effectively engaging with citizens, service users and stakeholders, ensuring that communication and engagement methods are effective and that feedback mechanisms are in place.
C: Defining outcomes in terms of sustainable economic, social, and environmental benefits	Defining outcomes	The Council has a clear vision which sets out what it is planning to achieve and how it will monitor and report progress.
	Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impacts of policies, plans and decisions and ensure fair access to services.
D: Determining the interventions necessary to optimise the achievement of the intended outcomes	Identifying the right course of action	Ensuring decision makers have the information they need.
	Planning action	Establishing and implementing robust planning and performance cycles, underpinned by effective resource planning.
	Maximising outcomes	Ensuring that resources are used in the most effective way to support the Council's priorities

Principles	Sub principles	The Council does this by
E: Developing the Council's capacity including the capability of its leadership and the individuals within it.	Developing capacity	Maximising the capacity of the Council by making sure its assets, resources, partnerships and employees are as effective as possible.
	Developing strong leaders	Developing the leadership skills and capacity of members, senior managers and employees to meet the challenges facing the Council.
F: Managing risks and performance through robust internal control and strong public financial management	Managing risk	Recognising that risk management is an integral part of Council business and decision-making.
	Managing performance	Monitoring service delivery effectively and ensuring an effective scrutiny function is in place to provide constructive challenge.
	Robust internal control	Ensuring effective arrangements for risk management, counter fraud and anti-corruption arrangements are in place and that the Audit and Procurement Committee provides effective assurance.
	Managing data	Ensuring effective arrangements are in place to identify information assets and risks and for the safe collection, storage, use and sharing of data.
	Strong financial management	Ensuring financial management supports short-term financial and operational performance as well as longer-term aims.
G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Implementing good practise in transparency	Ensuring reports used for decision making are clear, balanced and easy to read.
	Implementing good practices in reporting	Reporting regularly on performance, value for money and use of resources.
	Assurance and effective accountability	Ensuring that learning, improvements and corrective actions from audit, peer challenges, reviews and inspections are acknowledged and appropriate changes are made.

Review of the Code and Governance Arrangements

Local authorities are required to conduct a review at least once every financial year of the effectiveness of their systems of internal control and to report on this review with its Statement of Accounts. The Code of Corporate Governance forms a key part of this process.

To ensure that the Code and the Council's policies, plans, protocols and systems are kept up to date, governance arrangements will be reviewed on an annual basis against best practice as set out in the national framework. The purpose of the review will be to ensure that the Council's governance arrangements meet the principles of the code, that there are systems and processes in place to measure their effectiveness and that gaps in policies, performance or assurance are identified and appropriate actions developed. The review will follow the cycle set out below:

September - December	<p>Review of Code of Corporate Governance to include:</p> <ul style="list-style-type: none"> • what is in place to demonstrate that the principles in the Code are being met • what is in place to measure the effectiveness of systems and processes • any gaps in policies, performance or assurance and identification of any actions
Beginning of April	Guidance for producing directorate Statements of Internal Control prepared, incorporating any issues identified in the review of the Code
During April	Directorates produce Statements of Internal Control as part of Annual Governance Statement
May/June	Audit and Procurement Committee approve the statement of accounts and Annual Governance Statement, incorporating issues and actions arising from the review of the Code and Statements of Internal Control

The Council's Audit and Procurement Committee is responsible for approving the Annual Governance Statement alongside the Statement of Accounts.



Public report

Ethics Committee
Audit and Procurement
Cabinet Member for Policy and Leadership

17 March 2017
3 April 2017
13 April 2017

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

Not applicable

Title:

Review of the Council's Whistleblowing Policy.

Is this a key decision?

No

Executive Summary:

The Committee's work programme includes a review of the Whistleblowing Policy. The Whistleblowing Policy has been reviewed in light of the Rotherham report where that Council was criticised for not having effective procedures in place for reporting suspected wrongdoing. This review has now been completed. As a result of the review a new draft policy has been prepared. The Committee is asked to consider the draft policy and make any suggestions for additions or amendments to the policy.

Monitoring the Council's policies on whistleblowing is part of the terms of reference of Audit and Procurement Committee and so any comments of the Ethics Committee will be forwarded to that Committee with the decision to approve resting with the Cabinet Member (Policy and Leadership).

Recommendations: Ethics Committee

The Ethics Committee is recommended to consider the revised draft policy attached at Appendix 2 and to recommend any changes or amendments the Committee considers appropriate to the Audit and Procurement Committee.

Recommendations: Audit and Procurement Committee

The Audit and Procurement Committee is recommended to consider the revised draft policy attached at Appendix 2 and to recommend any changes or amendments the Committee considers appropriate to the Cabinet Member for Policy and Leadership. The Committee is recommended to consider any recommendations made by the Ethics Committee.

Recommendations: Cabinet Member for Policy and Leadership

The Cabinet Member for Policy and Leadership is recommended to consider the revised draft policy attached at Appendix 2 together with any recommendations From Ethics Committee and Audit and Procurement Committee and to approve the policy.

List of Appendices included:

1. Current whistleblowing policy
2. Revised draft whistleblowing policy

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes - Audit and Procurement Committee – 3 April, 2017

Cabinet Member for Policy and Leadership – 13 April, 2017

Will this report go to Council?

No

Report title: Review of Whistleblowing Policy

1. Context (or background)

- 1.1 The Council is not required by law to have a whistleblowing policy. However, it is recommended in government guidance and by Public Concern at Work that employers should, as a matter of best practice, have a whistleblowing policy as it shows the employer's commitment to listening to concerns and addressing them appropriately. Such a policy helps to foster an open culture where employees are encouraged to report concerns. It is best practice to have a whistleblowing policy in order to maintain high standards of openness and accountability and to encourage those with concerns to raise them using the policy.
- 1.2 Whistleblowing legislation is governed by the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998). This legislation provides that certain individuals (employees, workers, agency workers) are protected from suffering any detriment i.e. any disadvantage because he/she has made a protected disclosure.
- 1.3 Under the Enterprise and Regulatory Reform Act 2013 a disclosure is only a protected disclosure if the individual reasonably believes that the disclosure is in the public interest and that it relates to one of the prescribed categories as specified under paragraph 7 of the draft policy (attached at appendix 2).
- 1.4 One of the key concerns raised in the Rotherham report was that the whistleblowing policy was inadequate and did not provide adequate protection to whistle-blowers. The review of the City Council's policy has sought to address these concerns through the use of safeguards and protections for individuals.
- 1.5 The whistleblowing policy has been reviewed in order to ensure that the policy is fit for purpose and complies with the legislative requirements.
- 1.6 Local authority schools should review their Whistleblowing Policy in light of the Council's review and update their policy where appropriate. The Council will liaise the governing bodies to ensure that they are aware of the amendments made.

2. Options considered and recommended proposal

- 2.1 The policy has been reviewed and amendments have been made to the current policy (attached at appendix 1). In outline, the following amendments have been made:
 - 2.1.1 References to named officers have been removed in order to avoid the policy becoming obsolete when individuals leave the organisation or move positions.
 - 2.1.2 A sample reporting template has been included to assist those who are reporting concerns.
 - 2.1.3 The draft policy extends the time limits for the employer's response.
 - 2.1.4 The draft policy aims to be more user-friendly by framing the information as a question in order guide those using the policy.

- 2.2 The Committee has the option to recommend the adoption of the policy, with or without amendments. Or secondly, to reject the draft policy and to continue with the current policy which has not been revised for some years.
- 2.3 The Committee is asked to consider the draft policy and agree its contents together with any other recommendations it may wish to make to Audit and Procurement Committee and to the Cabinet Member (Policy and Leadership).

3. Results of consultation undertaken

This policy has been shared with senior officers and the trade union core group.

4. Timetable for implementing this decision

- 4.1 If approved, the policy should be implemented once formally approved.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

There are no specific financial implications arising from the recommendations within this report.

5.2 Legal implications

The adoption of the policy would ensure that the Council is compliant with the legislation as detailed above.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The whistleblowing policy would assist in contributing to the objective of being locally committed as detailed in the Council's plan. The policy would help to achieve this by encouraging the raising of concerns in order to help to protect our most vulnerable people.

6.2 How is risk being managed?

The current policy is out of date and there is a risk that the Council is not currently complying with its legal obligations.

6.3 What is the impact on the organisation?

The policy would ensure compliance with the Council's legal obligations. The new policy would raise awareness of whistleblowing within the Council and would encourage the reporting of concerns. It would also ensure that any concerns are reported to the appropriate person and that the individual reports concerns to the Monitoring Officer who will maintain a record of concerns.

6.4 Equalities / EIA

There are no public sector equality duties which are of relevance at this stage.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None at this stage

Report author(s): Laura Stockin

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Directorate: Place

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Appendix 1: Current Whistleblowing Policy

Appendix 2: Revised Whistleblowing Policy



Whistleblowing Policy

October 2007

1. Introduction

- 1.1 The Council takes malpractice seriously and encourages people to speak out if they are aware of any actual or potential malpractice within the organisation. The Council is committed to creating an open culture, where concerns can be raised without fear of reprisals.
- 1.2 The whistleblowing policy exists to help individuals raise concerns over any wrongdoing within Coventry City Council relating to unlawful conduct, financial malpractice, or dangers to the public or the environment. It does not apply where employees are aggrieved about their own personal position – in such instances the Council's grievance procedure applies. (Details of this are available from the intranet or from Human Resources.) The Whistleblowing Policy is primarily for concerns where the interests of others or of the organisation itself are at risk.
- 1.3 The policy is intended to encourage and enable individuals to raise serious concerns within the Council rather than overlook a problem. The policy also outlines how individuals may properly raise concerns outside the Council.
- 1.4 The policy supports the Council's Fraud and Corruption policy and complements other specific investigation procedures developed to support vulnerable groups i.e. Safeguarding Children and Vulnerable Adult¹ Protection.
- 1.5 **If you have a concern, you should contact:**
 - **For fraud and financial irregularity - the Internal Audit Manager (Stephen Mangan ext 3747)**
 - **For all other matters - the Head of Legal Services and Monitoring Officer as Monitoring Officer (Christine Forde ext 1587)**

¹ A Vulnerable adult is 'a person aged 18 years or over, who is in receipt of or may be in need of community care services by reason of 'mental or other disability, age or illness and who is or may be unable to take care of him or herself, or unable to protect him or herself against significant harm or exploitation'

- 1.6 All employees of the Council may use this Code. This includes permanent and temporary employees. It also covers agency workers and employees seconded to a third party. Any concerns relating to the third party, if relevant to the employee's secondment, can also be raised under this Code.

Contractors working for the Council may also use the provisions of this Code to make the Council aware of any concerns that the contractor's employees may have with regard to contractual or other arrangements with the City Council. The private concerns of the contractor relating to non-council business should be raised with the relevant contractor and/or other suitable agency/regulator - including the police, if appropriate.

- 1.7 This Policy also applies to Teachers and School employees, subject to its adoption by Governing Bodies. In Voluntary Aided schools, the Governors are the employers of the staff and not the City Council. Employees based within such establishments may wish to report concerns to the Diocesan authorities, or the external sources, referred to at paragraph 9 below.

- 1.8 Matters reported directly to the Council by a school based Council employee will be referred to the Director of Children Learning and Young People before further action is taken. Matters reported directly to the Council by an employee of a Voluntary Aided School will be referred to the Diocesan authority by the Director of Children, Learning and Young People.

- 1.9 Details of how to raise a whistleblowing concern are given in section 4 of this document.

2. Policy statement

- 2.1 The Council is committed to the highest possible standards of openness, probity, and accountability and will take action to address improper practices. As part of this commitment, the Council is determined to follow best practice on whistleblowing and:

- provide opportunities for individuals to raise concerns outside of their line management structure;
- not allow any individuals who come forward with concerns raised in good faith to be discriminated against or victimised;
- ensure concerns are treated in confidence and make every effort not to reveal the identity of the whistleblower. (The Council cannot give a complete assurance that an individual's identity would not be revealed – see section 6.);
- investigate all concerns, ensure individuals get a response to their concerns, and take all possible action against wrongdoers;
- take action against anyone found to have made a false allegation maliciously.

3. When does the whistleblowing policy apply?

- 3.1 The Public Interest Disclosure Act 1998 sets out the categories where the statutory whistleblowing protection applies. These are:

- a criminal offence;
- a failure to comply with a statutory or legal duty (e.g. Race Relations (Amendment) Act, Data Protection Act etc.);
- improper unauthorised use of public funds or other funds;
- a miscarriage of justice;
- sexual or physical abuse of any employee or service recipient;
- discrimination of an employee or service recipient on the grounds of sex, age, race, disability, religion, belief or sexual orientation.

- endangering of an individual's health and safety;
- damage to the environment;
- deliberate concealment of any of the above.

3.2 In addition, the Council will provide similar protection to any employee "blowing the whistle" on any issue deemed to be a breach of the Council's code of conduct.

3.3 The overriding concern should be that it would be in the public interest for malpractice to be corrected and, if appropriate, sanctions applied.

3.4 The policy is subject to any relevant legislation and specifically will operate within the requirements of the Data Protection Act.

4. How to raise a concern

4.1 The Public Interest Disclosure Act encourages individuals to raise their concern with their employer. Within the Council, the key contacts to raise whistleblowing concerns with are:

Potential fraud or financial irregularity

- Internal Audit Manager (Stephen Mangan ext 3747).

Other concerns

- The Council's Monitoring Officer (Christine Forde on ext 1587)

In addition, employees can make initial contact with any of the following:

- Supervisor, manager, or Head of Service
- Head of Establishment or Headteacher
- Trade Union representative

Any of the above will provide advice on how to take the issue forward and will ensure that the relevant key contact is notified that a whistleblowing concern exists.

If the concern is connected with a direct line manager/supervisor then, if appropriate, the Directorate's HR Manager will provide confidential advice as to whom the concern should be directed. Alternatively, the Internal Audit Manager or the Acting Head of Legal Services and Monitoring Officer as the Council's Monitoring Officer should be contacted directly.

4.2 Whilst individuals can raise concerns verbally, it is often better to put them in writing², but any method of communication is acceptable. The information needed is the background and history of the concern giving names, dates and places where possible, and the reason for the particular concern. To allow any points raised to be clarified, individuals will need to provide details of how they can be contacted.

4.3 The earlier concerns are raised; the easier it will be to take action.

4.4 Advice and guidance on how matters of concern may be pursued can be obtained from the following:

- Line manager, headteacher
- Human Resources
- Internal Audit Services
- Trade union/professional association
- Public Concern at Work. This is an independent charity that operates a confidential helpline to provide free impartial advice for persons who wish to express concern about

² This can be hand written or by e-mail. If using e-mail you must consider the security and confidentiality aspects of this method.

fraud and other serious malpractice. The telephone number is **020 7404 6609**. Further details are available from their website – www.pcaw.co.uk.

4.5 Trade Union representatives may support an employee raising an issue of concern throughout the process.

5. How the Council will respond.

5.1 Any concern raised either in writing or verbally under the whistleblowing policy, will be acknowledged in writing within 3 days. This will:

- Acknowledge that the concern has been received;
- Summarise the details of the concern;
- Identify who is dealing with the matter.

5.2 The action taken by the Council will depend on the nature of the concern. The matters raised may be:

- investigated internally by an appropriately skilled and experienced employee, knowledgeable in the area concerned e.g. Manager, Internal Audit, Social Care Manager, Benefits Investigation Team, Human Resources, Chief Executive, the Council's Monitoring Officer, Vulnerable Adults Protection Coordinator, the Safeguarding Children Officer etc;
- referred to the Police;
- referred to the Health and Safety Executive
- referred to the External Auditor or Ombudsman;
- referred to the National Standards Board;
- the subject of an independent enquiry.

5.3 In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations that fall within the scope of specific procedures (for example, safeguarding children, vulnerable adults' protection, or discrimination issues) will normally be referred for consideration under those procedures.

5.4 Some concerns may be resolved by agreed action without the need for further investigation.

5.5 The amount of contact between the officer(s) considering the issues and the employee reporting the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be obtained from the individual reporting the concern in a discreet manner.

5.6 When any meeting is arranged, individuals will have the right, if desired, to be accompanied by a trade union or other representative. The meeting can be arranged away from the normal place of work, if requested.

5.7 The Council will take steps to minimise any difficulties which individuals may experience as a result of raising a concern and provide any appropriate support. For instance, if the individual is required to give evidence in disciplinary or criminal proceedings, the Council will provide advice about the procedure.

5.8 The Council accepts that individuals raising a concern need to be assured that the matter has been properly addressed and will notify them when the whistleblowing policy process has been completed. This will normally be within 20 working days of a concern being raised. In addition, details will be given on what action has been taken to correct working practices, which have been found to be at fault by the investigation.

5.9 If an allegation is received anonymously, it may restrict what the Council is able to do.

There is an expectation that the person reporting a matter will disclose their identity to the Audit Manager, as this will facilitate the investigation. The Council will endeavour to maintain the person's anonymity wherever possible.

5.10 The following factors will be considered when establishing the scope and depth of any investigation:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from recognised sources and information available.

6. Safeguards

6.1 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice.

The Council will not tolerate harassment or victimisation and will take action to protect individuals wherever possible provided that:

- The concerns are raised in good faith;
- The information provided is believed to be true, even if the allegation is not subsequently confirmed by the investigation;
- Allegations are not made for personal gain.

The Internal Audit Manager or the monitoring officer will carry out a risk assessment to determine safeguards as necessary.

6.2 Every effort will be made to ensure confidentiality as far as is reasonably practical. Individuals should be aware that actions taken as a result of their report may lead to their identity being revealed, either by inference or as a result of disciplinary or legal proceedings. If this should happen, the Council will not tolerate any individual being victimised in any way.

6.3 Support will be provided to help overcome any difficulties experienced as a result of raising a concern. During the investigation, any meetings with the individual raising the concern can be arranged away from their place of work and they will have the opportunity to be accompanied by a representative of their choice, if they wish. If the individual is required to present evidence as a witness, arrangements will be made to provide them with support through the process. Access to counselling and support is available to all employees.

6.4 Every effort will be made to keep the individual reporting the matter of concern informed. However, the information provided will be determined by the nature of the investigation and whilst safeguarding the rights of other individuals involved in the process.

7. Malicious Allegations

7.1 The Council will take action against any individual found to have made a malicious or vexatious allegation. For an employee, this could result in disciplinary proceedings.

8. Raising concerns outside of the Council.

8.1 This policy is intended to provide employees with an avenue to raise concerns **within** the Council. If an employee instead takes the matter outside the Council, they should ensure that they do not disclose confidential information. Employees should also check that they do not contravene the Public Interest Disclosure Act as this does not provide blanket protection and only allows individuals to disclose matters to their employer or specified bodies. Any breach of the Act could lead to disciplinary action.

8.2 If an individual wishes to raise a concern outside the council or feels that the Council has not handled their concern appropriately, the following possible contact points may be relevant –

- The Ombudsman – 0845 602 1983 (www.lgo.org.uk)
- The Audit Commission. 0844 7981212 www.audit-commission.gov.uk
- Relevant professional bodies or regulatory organisations
- Trade Union/Professional Association – details are available from Human Resources
- Your solicitor
- The Police
- The Health and Safety Executive

9 Monitoring

9.1 Monitoring of the Whistleblowing Procedure will be undertaken by the Council's Standards Committee in accordance with the Constitution.

Whistleblowing Policy
2017

Introduction

1. The Council takes malpractice seriously and encourages people to speak out if they are aware of any actual or potential misconduct or wrongdoing within the organisation. The Council is committed to creating an open culture, where concerns can be raised without fear of suffering a detriment.
2. The whistleblowing policy is crucial in order to maintain high standards of openness and accountability and encourages those who have legitimate concerns to raise them using this policy.
3. Employees are encouraged to contact their supervisor, line manager or head of service in order to report their concerns. Any concerns will be addressed appropriately by the individual.

What is Whistleblowing?

4. Whistleblowing is the making of a protected disclosure i.e. 'blowing the whistle' on actual or potential wrongdoing. It is a way to raise a concern over such wrongdoing. It is not a way to raise personal grievances and any such concerns should be raised through the Council's grievance procedure.
5. It may be appropriate for your concern to be dealt with under another Council procedure e.g. safeguarding, grievance, etc. If this is the case then you will be notified accordingly.
6. Whistleblowing is covered by the Employment Rights Act 1996 Part IVA, as amended by the Public Interest Disclosure Act 1998.

When can a concern be raised?

7. To be covered by this policy the wrongdoing must fall within one of the following grounds:
 - a. A criminal offence
 - b. Breach of any legal obligation
 - c. Miscarriages of justice
 - d. Danger to health and safety
 - e. Damage to the environment
 - f. The deliberate concealing of information about any of the above
8. If the concern relates to one of the above grounds then you should raise the issue if you have a reasonable belief that the disclosure is in the public interest. A concern is of public interest if the matter goes beyond those which are of personal concern to you. You should reasonably believe that the allegation raised is substantially true.



Who can use this policy?

9. All employees of the Council may use this policy. This includes permanent and temporary employees. It also covers agency workers and employees seconded to and from a third party. Any concerns relating to the third party, if relevant to the employee's secondment, can also be raised under this policy. Contractors working for the Council may use this policy to make the Council aware of any concerns that they have with the Council. The private concerns of the contractor relating to non-council business should be raised with the relevant employer.

10. If you are an employee of a school please refer to your appropriate whistleblowing policy.

Who to contact?

11. If you have a concern you should report to the following people :

Chief Internal Auditor
Room 64
The Council House
Earl Street
Coventry
CV1 5RR
Tel: 02476 834035

The Council's Monitoring Officer
Council House
Earl Street
Coventry
CV1 5RR
Tel: 024 7683 1587

12. In addition, employees can make initial contact with their supervisor, line manager or head of service. The relevant person will then notify the Monitoring Officer that a concern has been raised.

13. Further advice and guidance can be obtained from Public Concern at Work (020 7404 6609). Public Concern at Work is an independent charity that operates a confidential helpline to provide free impartial advice for those who wish to express a concern. Further information and advice at www.pcaw.co.uk.

14. The Council encourages the use of this policy in order to raise whistleblowing concerns. It is anticipated that issues would be raised within the Council in the first instance to allow the Council to respond to any concern. However, if you feel that it is right to report the matter outside the Council, then there are prescribed contacts to whom disclosures can be made. Prescribed persons include: the Information Commissioner, the Environment Agency, Public Health England, Health and Safety Executive, etc. A full list of prescribed persons can



be found at: <https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2>.

15. If you report the matter outside the Council, you should ensure that you do not disclose confidential information. Disclosure to a person who is not a prescribed person or to someone who is not specified in this policy may constitute a breach of confidentiality and a breach of the employee Code of Conduct. Any breach of the Code of Conduct could lead to disciplinary action. Furthermore, disclosure to someone else will mean that the legal protection for whistle-blowers is lost.

How to raise a concern?

16. As much information as possible should be provided in order for your concern to be properly investigated. To allow any points to be clarified, you should provide details of how you can be contacted.
17. Appendix 1 to this document provides a standard reporting form which you can use. Appendix 1 can be used as a guide on the information that would be helpful to supply when reporting your concern. However, any reasonable method of communication is acceptable including verbal notification. When raising a concern you should state clearly that you are raising concerns under the Council's Whistleblowing Policy.
18. A concern can be raised anonymously. However, if the concern is raised anonymously then this will restrict the ability of the Council to provide feedback on how the concern has been investigated. It may also restrict the extent to which the matter can be investigated.

When should a concern be raised?

19. A concern should be reported if you have reasonable belief that wrongful activity is taking or has taken place. You do not need to obtain conclusive evidence of the wrongdoing but the disclosure should have a factual basis. The earlier you report a concern, the easier it is to take the appropriate action.

What happens to the concern raised?

20. If the person dealing with the concern deems it necessary to hold any meetings with you, you have the right to be accompanied by a trade union or other representative. The meeting can be arranged away from the normal place of work, if requested.
21. You will be listened to and your concern will be taken seriously. The action taken by the Council will depend on the nature of the concern. Any concern raised under this policy, will be acknowledged in writing within 7 days. This will: acknowledge that the concern has been received; summarise the details of the concern; and identify who is dealing with the matter. The person dealing with the matter will decide on the appropriate course of action.



22. The Council understands that individuals raising a concern need to be assured that the matter has been properly addressed and will notify them when the whistleblowing policy process has been completed. However, the information provided may be limited in accordance with other legislative provisions, such as the Data Protection Act 1998.

Protection for those raising concerns

23. If you raise a concern under this policy you are protected from suffering any detriment i.e. any disadvantage on the ground that you have made a protected disclosure. A disclosure will only qualify for protection if you have a reasonable belief that it is made in the public interest.
24. The protection provided to employees raising concerns cannot be given to third parties. The Council cannot guarantee protection to employees of third party organisations. However, we expect contractors to be aware of the legal obligations in relation to whistleblowing policy and to act in accordance with the requirements.
25. The Council does not tolerate discrimination, victimisation or harassment and will take action to protect you if you have raised a concern using this policy.

Confidentiality

26. Every effort will be made to ensure confidentiality is maintained as far as is reasonably practical. Individuals should be aware that actions taken as a result of their report may lead to their identity being revealed, either by inference or as a result of disciplinary or legal proceedings. If this should happen, the Council will not tolerate you being subjected to any detriment because you have made a protected disclosure.

Monitoring

27. Monitoring of the Whistleblowing Procedure will be undertaken by the Council's Audit and Procurement Committee in accordance with the Constitution.
28. The Monitoring Officer will maintain a record of all concerns brought to his/her attention and any action taken. All officers who investigate a concern should provide the Monitoring Officer with sufficient information to enable him/her to complete the record.
29. The Monitoring Officer will produce an annual report for the Audit and Procurement Committee which will comprise of a summary of the concerns raised and lessons learned with the aim of ensuring best practice across all services. The report will not disclose any names and will not undermine confidentiality or data protection.



Version control sheet needed

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