



Audit and Procurement Committee

Time and Date

3.00 pm on Monday, 13th November 2017

Place

Diamond Room 2 - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 10)
To agree the minutes of the meeting held on 11th September 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 11 - 16)
Report of the Deputy Chief Executive (Place)
6. **Work Programme 2017/18** (Pages 17 - 18)
Report of the Deputy Chief Executive (Place)
7. **Annual Audit Letter for Coventry City Council 2016-17** (Pages 19 - 32)
Report of the External Auditors, Grant Thornton
8. **City Council Treasury Management Investment Activity** (Pages 33 - 38)
Report of the Deputy Chief Executive (Place)
9. **Internal Audit Plan 2017-18 - Half Year Progress Report** (Pages 39 - 50)
Report of the Deputy Chief Executive (Place)
10. **Accounts Payable Recovery Audit 2016-2017** (Pages 51 - 58)
Report of the Deputy Chief Executive (Place)

11. **Consideration for Approval of Severance Packages in Respect of 3 x Employee's exceeding £100,000** (Pages 59 - 74)
Report of the Deputy Chief Executive (People)
12. **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

13. **Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000** (Pages 75 - 92)
Report of the Deputy Chief Executive (People)
(Listing Officer: J Gregg / B Barratt, tel: 024 7683 3402 / 3200)
14. **Procurement and Commissioning Progress Report** (Pages 93 - 100)
Report of the Deputy Chief Executive (People)
(Listing Officer: M Burn, tel: 024 7683 3757)
15. **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, 3 November 2017

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Tel: 024 7683 3237/3065, Email: lara.knight@coventry.gov.uk/michelle.salmon@coventry.gov.uk

Membership: Councillors S Bains (Chair), R Brown, L Harvard (Deputy Chair), T Sawdon, R Singh 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 / Michelle Salmon
Governance Services Officer

Telephone: (024) 7683 3237 / (024) 7683 3065

e-mail: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 3.00 pm
on Monday, 11 September 2017

Present:

Members: Councillor S Bains (Chair)
Councillor R Brown
Councillor L Harvard (Deputy Chair)
Councillor R Singh
Councillor H Sweet

Employees:

P Baggott, Place Directorate
M Burn, People Directorate
B Hastie, Place Directorate
P Jennings, Place Directorate
L Knight, Place Directorate
K Tyler, Place Directorate

Other Representatives: M Stocks, Grant Thornton
S Turner, Grant Thornton

Apologies: Councillor T Sawdon

Public Business

27. Declarations of Interest

There were no disclosable pecuniary interests.

28. Minutes of Previous Meeting

The minutes of the meeting held on 24th July 2017 were agreed and signed as a true record. There were no matters arising.

29. 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 private report in Minute 37 below headed 'Procurement and Commissioning Progress Report' on the grounds that the report involves the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial and business affairs of a particular person (including the authority holding that information) and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

30. **Outstanding Issues**

The Committee considered a report of the Deputy Chief Executive (Place), which identified those issues on which further reports / information had been requested or were outstanding so that Members were aware of them and could manage their progress.

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.

RESOLVED that the Audit and Procurement Committee note the outstanding issues report.

31. **Work Programme 2017/18**

The Committee considered a report of the Deputy Chief Executive (Place), which set out the work programme for the Committee for the coming year.

RESOLVED that the Audit and Procurement Committee approve the work programme for 2017/18, noting that arrangements had been put in place for an additional meeting on 22nd January, 2018 and that the work programme had been adjusted accordingly.

32. **Audit Findings Report 2016/17**

Further to Minute 20/17, the Committee considered a report of the external auditor, Grant Thornton, on the Audit Findings for the City Council for the year ending 31st March, 2017. Mark Stocks and Simon Turner, of Grant Thornton, attended the meeting to present their report.

The report highlighted the key issues affecting the results of the Council and the preparation of the group and financial statements for year ended 31st March 2017. It was also used to report the audit findings to management and those charged with governance in accordance with the requirements of the International Standards on Auditing (UK and Ireland) 260 and the Local Audit and Accountability Act 2014.

Under then National Audit Office Code of Audit Practice, the external auditors were required to report whether, in their opinion, the Council's financial statements gave a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they had been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. They were also required to consider other information published together with the audited financial statement, including the Annual Governance Statement and Narrative Report, whether it was consistent with the financial statements, apparently materially incorrect based on, or materially inconsistent with the auditors knowledge of the group acquired in the course of performing the audit, or otherwise misleading. Based on the review, the auditors were satisfied that they were consistent with the audited financial statements and met the requirements

set out in the CIPFA/SOLACE guidance and that the disclosures included in the Narrative Report were in line with the requirements of the CIPFA Code of Practice.

In addition, the auditors were required to carry out sufficient work to satisfy themselves on whether the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money (VFM) conclusion). Based on the review, the auditors indicated that they were satisfied that, in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The Committee were advised that the audit was substantially complete, although procedures were being finalised in respect of obtaining and reviewing the management letter of representation; updating post balance sheet events review, to the date of signing the opinion; and the whole of Government Accounts.

Attention was drawn to two adjustments affecting the Council's reported financial position and details of these were recorded in section two of the report. The draft financial statements for the year ended 31 March 2017 recorded total comprehensive income and expenditure of £60,942k; the audited financial statements show total comprehensive income and expenditure of £57,746k. These changes had no impact on the Council's General Fund balance. The auditors also recommended a number of adjustments to improve the presentation of the financial statements. The Council produced its draft financial statements by the end of May, which enabled the audit to start at the beginning of June as planned. The Council produced draft accounts to a good standard and with an overall high level of compliance with disclosure requirements. The audit identified some misclassification errors and disclosure omissions in the draft financial statements. The more significant of these errors and omissions are detailed in the 'Misclassifications and disclosure changes' section of the report. These errors and omissions, which did not have any impact on the Council's overall financial position, had since been corrected.

The report indicated that the auditors anticipated providing an unqualified audit opinion in respect of the financial statements.

The Committee noted that, in addition to responsibilities under the Code, the auditors were required to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. At present work on this claim was in progress and not due to be finalised until 30th November 2017. A report on the outcome of this certification work would be submitted to the Committee on 19th February 2018.

Attention was drawn to testing on the Council's financial IT systems, which had identified four control issues, these being:-

- Lack of information security policies and procedures for Agresso, ResourceLink and Active Directory;
- Proactive reviews of logical access within Agresso, ResourcesLink and Active Directory;
- Long period for password expiry;
- Generic accounts with administrative privileges on ResourceLink application.

Actions in response to these issues, along with a number of other recommendations were set out in an action plan attached as an appendix to the report and these had already been agreed with the Director of Finance and Corporate Services and the finance team.

The Committee were updated about the position in respect of leases and they noted that changes would be incorporated in the next annual report.

RESOLVED that the Audit and Procurement Committee note the audit findings, as presented by the Council's External Auditors.

33. **Audited 2016/17 Statement of Accounts**

Further to Minute 21/17, the Committee considered a report of the Deputy Chief Executive (Place), which sought approval of the audited 2016/17 Statement of Accounts and Annual Governance Statement, on behalf of the Council. Councillor John Mutton, Cabinet Member for Strategic Finance and Resources attended the meeting for the consideration of this item.

The Committee noted that the Council had delegated authority for approval of the Statement of Accounts, including the Annual Governance Statement, to the Audit and Procurement Committee.

The report was considered alongside the External Auditor's Audit Findings report (Minute 32 above refers) which detailed the key changes to the draft Statement of Accounts considered by the Committee in June 2017 (Minute 9/17 refers). The changes had been agreed between Grant Thornton and the Director of Finance and Corporate Services.

An addendum to the report had also been submitted, detailing the representation letter to Grant Thornton in relation to the Financial Statement for the year ended 31st March 2017.

RESOLVED that the Audit and Procurement Committee approve the 2016/17 Statement of Accounts, the Annual Governance Statement and Letter of Representation.

34. **2017/18 First Quarter Financial Monitoring Report (to June 2017)**

The Committee considered a report of the Deputy Chief Executive (Place), that had also been considered by the Cabinet and Council at their meetings on 29th August and 5th September 2017 respectively, that advised Members of the of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of June 2017 (Quarter 1). The headline revenue forecast for 2017/18 was an over spend of £4.6m. At the same point in 2016/17 there was a projected overspend of £6.4m.

The report also recommended a change to the Council's Investment Strategy and Policy, reviewed every year as part of the Council's Budget Setting process, to enable the Council to continue its current level of investment in Property based Collective Investment Schemes.

This position reflected areas that had reported overspends in recent previous years and ones where new budgetary issues were emerging. Although the initially reported overspend position was not as large as this time last year, the Senior Management Board was aware of the need to address the range of budgetary issues facing the Council. This included continued challenges in delivering savings targets set in previous Budgets and some local demand pressures, in particular in relation to looked after children and housing related costs. Even at this early stage it was likely that some of these pressures would need to be considered as part of the Council's Budget Setting process for the 2018/19 Budget, although further work would continue to keep these to a minimum. Councillor John Mutton, Cabinet Member for Strategic Finance and Resources provided an update on this latest financial position.

The Council's Capital spending was projected to be £128m for the year, a net increase of £5m on the programme planned at the start of the year.

The Committee noted that the Council had agreed to change the Council's Investment Strategy and Policy, increasing the maximum investment limit from £8m to £10m, to enable the Council to continue its current level of investment in Property based Collective Investment Schemes.

Members sought clarification about CCLA (Churches, Charities and Local Authorities), a property based investment fund and also about the £1.9m forecast revenue variation for Customer Services and Transformation.

In response to a question about schools funding and pupil premium, the Committee were informed about the recent work undertaken by the Council to assist schools when claiming pupil premium. Clarification was to be given to Members about which schools were receiving this support.

RESOLVED that the Audit and Procurement Committee note the current position, indicating that there were no comments that they wished to be passed to the Cabinet at this time.

35. **Fraud Annual Report 2016/17**

The Committee considered a report of the Deputy Chief Executive (Place), which provided a summary of the Council's anti-fraud activity for the financial year 2016/17.

The Committee noted that fraud in the public sector had a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy stated that the level of fraud in the public sector was significant, the current trends in fraud activity included areas which Coventry City Council did not have responsibility for, such as social housing, and the levels of identified / reported fraud against the Council were at relatively low levels, in terms of both numbers and value.

The Internal Audit Service was responsible for leading on the Council's response to the risk of fraud and work had been focussed on four main areas during 2016/17, namely Council Tax; National Fraud Initiative (NFI); Referrals and investigations considered through the Council's Fraud and Corruption Strategy; and Proactive work.

Work undertaken in relation to Council Tax had focussed on reviewing Council Tax exemptions and discounts and on Council Tax Referrals. The report indicated that 136 exemptions / discounts had been removed from customer accounts and that revised bills had been issued amounting to £157,000. £134,000 had been repaid to the Council and the remaining balances were being recovered through agreed payment instalment arrangements.

The Council received referrals from both internal and external sources linked to concerns around the payment of Council Tax support or Council Tax discounts / exemptions and the report identified the number of referrals by source during 2016/17. It was noted that whilst the vast majority of cases were passed to the Department for Work and Pensions to investigate under agreed arrangements, the Council had validated six concerns during 2016/17, linked to the payment of council tax. This resulted in revised bills / overpayments of approximately £19,000 being issued, of which £13,000 had been repaid to date.

The NFI exercise was led by the Cabinet Office, took place every two years and matched electronic data within and between public bodies with the aim of detecting fraud and error. In 2016/17 work had focussed on collating and submitting data for the next exercise and following up on matches identified during the last year relating to council tax bands E and above. 159 matches were reviewed which resulted in 10 single person discounts being cancelled and revised bills / overpayments of around £14,000 being issued. The report indicated that £7,000 had been repaid to date.

In relation to referrals and investigations, the report set out the number of referrals by source (Whistle Blower, Manager, and External) during 2016/17 and compared them with the three previous financial years. In considering the information, the Committee noted that there was no way of determining the number of referrals that the Council should receive on an annual basis. During 2016/17 21 referrals were received, of which 8 had led to full investigations. A further five investigations were carried forward from 2015/16. Of these 13 investigations, seven related to fraud / theft or other activities linked to obtaining a financial benefit, with the remaining six cases involved code of conduct issues including un-authorised absence. The report provided details of the outcome of the ten completed investigations and indicated that three investigations were still on going.

The Council's response to fraud also considered an element of proactive work to ensure that all key fraud risks were considered. In 2016/17 this work included consideration of the Organised Crime Procurement Pilot report, published by the Home Office in December 2016. As a result, a specific audit review on this issue was included in the 2017/18 Audit Plan. In addition, in conjunction with a third party, a proactive review was undertaken on the payments made to Council suppliers. The Committee noted that this work recovered payments totalling £181,000 and that a report detailing this work would be submitted to a future meeting.

The report further set out that, within the International Auditing Standards, there were clear expectations around the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This included an expectation that appropriate detail be provided around significant fraud. In the period April 2016 to March 2017, no significant frauds had been identified.

Members enquired about the investigation of housing benefit fraud; benchmarking staffing levels; and the support provided for whistle blowers.

RESOLVED that:

(1) The Audit and Procurement Committee note the anti-fraud activity undertaken in the financial year 2016/17.

(2) Comparison data concerning staffing levels at other Local Authorities compared to Coventry to be included in the next fraud report.

36. **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 items of public business.

37. **Procurement and Commissioning Progress Report**

The Committee considered a report of the Deputy Chief Executive (People) which provided an update on the procurement and commissioning undertaken by the Council since the last report submitted to the meeting on 24th July 2017. 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.**

38. **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 items of private business.

(Meeting closed at 4.10 pm)

This page is intentionally left blank

Audit and Procurement Committee

13th November 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

Tel and email contact:

E-mail: Lara.knight@coventry.gov.uk
Tel: 024 7683 3237

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.	Information Management Strategy Update Report back of the outcome of the follow up audit by the Information Commissioner	36/16 24 th October 2016	February 2018	Helen Lynch / Joe Sansom		

* 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.	Internal Audit Annual Report 2016/17	Minute 6/17 26 th June 2017	That information be forwarded to the Committee in relation to the checks and balances undertaken regarding maintenance of vehicles and fuel consumption.	Karen Tyler	16 th October 2017
2.	Procurement and Commissioning Progress Report	Minute 12/17 26 th June 2017	The Committee requested information on timescales for the City's 50m swimming pool.	Mick Burn	
3.	Information Governance Annual Report 2016/17	Minute 23/17 24 th July 2017	The Committee requested that arrangements be made for annual mandatory training on Data Protection for all members.	Sharon Lock	

Audit and Procurement Committee

Work Programme 2017-18

26th June 2017

Revenue and Capital Out-turn 2016-17
Draft Statement of Accounts 2016-17
Annual Governance Statement 2016-17
Internal Audit Annual Report 2016-17
Internal Audit Plan 2017-18
Procurement Progress Report (Private)

24th July 2017

Audit Findings Report 2016-17 (Grant Thornton)
Statement of Accounts 2016-17
Audit Committee Annual Report 2016-17
Information Governance Annual Report 2016/17
Procurement Progress Report (Private)

11th September 2017

Audit Findings Report 2016-17 (Grant Thornton)
Statement of Accounts 2016-17
Quarter One Revenue and Corporate Capital Monitoring Report 2017-18
Fraud Annual Report 2016-17
Procurement Progress Report (Private)

13th November 2017

Annual Audit Letter 2016-17 (Grant Thornton)
Half Year Internal Audit Progress Report 2017-18
Payment Audit
Treasury Management Update
Procurement Progress Report (Private)

18th December 2017

Quarter Two Revenue and Corporate Capital Monitoring Report 2017-18
Corporate Risk Register Update
Annual Audit Letter 2016/17 - Progress Report on Actions
Procurement Progress Report (Private)

22nd January 2018

Half Yearly Fraud Update 2017-18
Ombudsman Complaints Annual Report 2016-17
RIPA (Regulation of Investigatory Powers Act) Annual Report 2016-17
Whistleblowing Policy Annual Report 2016/17
Contract Management Review

19th February 2018

Grant Certification Report (Grant Thornton)
Quarter Three Revenue and Corporate Capital Monitoring Report 2017-19
Quarter Three Internal Audit Progress Report 2017-18
Information Management Strategy Update including result of follow up audit by ICO
Procurement Progress Report (Private)

26th March 2018

Annual Audit Plan (Grant Thornton)
Internal Audit Recommendation Tracking Report
Internal Audit Plan 2018-19
Procurement Progress Report (Private)
Code of Corporate Governance (Adrian West)

Dates to be confirmed

The Annual Audit Letter For Coventry City Council

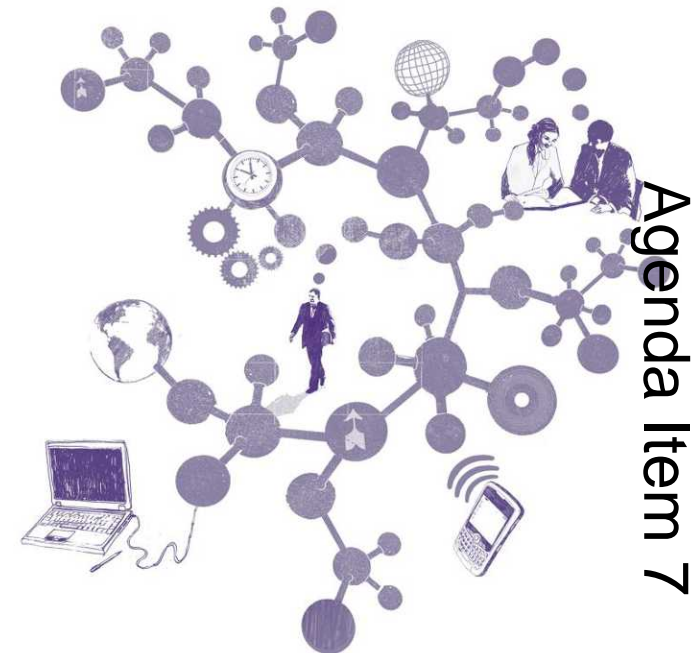
Year ended 31 March 2017

9 October 2017

Mark Stocks
Partner
T 0121 232 5437
E mark.c.stocks@uk.gt.com

Simon Turner
Manager
T 0121 232 5273
E simon.a.turner@uk.gt.com

Paul Harvey
Assistant Manager
T 0121 232 5329
E paul.m.harvey@uk.gt.com



Contents

Page 20

Section

Page

- | | |
|-------------------------------|---|
| 1. Executive summary | 3 |
| 2. Audit of the accounts | 5 |
| 3. Value for Money conclusion | 9 |

Appendices

A Reports issued and fees

Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work we have carried out at Coventry City Council (the Council) for the year ended 31 March 2017.

This Letter provides a commentary on the results of our work to the Council and its external stakeholders, and highlights issues we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit and Procurement Committee (as those charged with governance) in our Audit Findings Report on 11 September 2017.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 11 September 2017.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017. We reflected this in our audit opinion on 11 September 2017.

Whole of government accounts

We are required to carry out specified procedures (on behalf of the NAO) on the WGA consolidation pack under WGA group audit instructions. The deadline for the submission of the pack to the NAO was 29 September. The pack was not submitted until 5 October. This was due to the Council not completing the pack until after the 29 September deadline had passed. The Council has stated that technical errors in the pack supplied by central government contributed significantly to the delay in its completion.

Certificate

We certified that we had completed the audit of the accounts of Coventry City Council in accordance with the requirements of the Code on 9 October 2017.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2017. We will report the results of this work to the Audit and Procurement Committee in our Annual Certification Letter.

Page 22
Other work completed

We provided you with access to CFO insights, an online software service offering that enables users to rapidly analyse, segment and visualise all key data relating to the financial performance of a local authority. The Council has purchased a licence to provide on-going access to this tool.

The Council has participated in our Opportunity West Midlands Training Programme. This is a series of workshops for finance officers which enables them to learn new skills, listen to guest speakers and network with their peers.

We have also provided your teams with training on developments in financial accounts and housing benefit subsidy certification. The courses were attended by Council staff.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2017

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we applied the concept of materiality to determine the nature, timing and extent of our work, and to evaluate the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £13.572 million, which is 1.8% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for senior officer remuneration and related party transactions.

We set a lower threshold of £633,000, above which we reported errors to the Audit and Procurement Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by the Director of Finance and Corporate Services are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of property, plant and equipment The Council revalues 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 the current value. This represents a significant estimate by management in the financial statements.</p>	<p>We completed the following testing:</p> <ul style="list-style-type: none"> • review of entity controls • review of management's processes and assumptions for the calculation of the estimate • review of the competence, expertise and objectivity of management experts used • review of the instructions issued to valuation experts and the scope of their work • discussions with the 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. 	<p>The CIPFA Code of Practice requires local authorities to revalue its investment properties annually. The Council did not comply with this requirement. We discussed this with the Council's Valuer who provided additional evidence and correspondence on this matter. In particular, the Valuer confirmed that they had reviewed the overall value of investment properties and were satisfied that the value of investment properties was not materially misstated. While we considered that there was a risk of misstatement we were satisfied that the risk of a material misstatement was adequately mitigated. We included this issue in the letter of representation. To ensure that a risk of material misstatement does not arise in future years the Council should ensure that all of its investment properties are revalued annually.</p> <p>The Council valued its other land and properties on a 5 year cyclical basis. This is in accordance with the CIPFA Code of Practice. We reviewed the potential change in the value of schools valued on a depreciated replacement costs basis since their last valuation. We estimated that the value was potentially understated by £7.2m. As this value was not material the Council did not alter the financial statements.</p>

Audit of the accounts (continued)

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability</p> <p>The Council's pension fund net liability, as reflected in its balance sheet, represents a significant estimate in the financial statements.</p>	<p>We completed the following testing:</p> <ul style="list-style-type: none"> • Identification of the controls put in place by management to ensure that the pension fund liability is not materially misstated. We have also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • Review of 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. • Review of the reasonableness of the actuarial assumptions made. • Review of the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. 	<p>Our audit work did not identify any issues in respect of the valuation of the pension fund net liability.</p>

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 11 September 2017, in advance of the 30 September 2017 national deadline.

The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of supporting working papers.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Council's Audit and Procurement Committee on 11 September 2017.

In addition to the key audit risks reported above, we identified some control issues in relation to the Council's key financial IT systems. The key recommendations arising from our financial statements audit were reported in our Audit Findings Report, which was presented to the Audit & Procurement Committee on 11 September, and are not repeated here.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We are required to carry out specified procedures (on behalf of the NAO) on the WGA consolidation pack under WGA group audit instructions. The deadline for the submission of the pack to the NAO was 29 September. The pack was not submitted until 5 October. This was due to the Council not completing the pack until after the 29 September deadline had passed. The Council was due to submit the draft pack to us by 30 June, but we did not receive it until 11 September. The Council has stated that technical errors in the pack supplied by central government contributed significantly to the delay in its completion.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2016 which specified the 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.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

Overall VfM conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2017

Value for Money

Table 2: Value for money risks

Page 28

Significant risk	Work to address	Findings and conclusions
<p>Medium term financial planning 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>We assessed 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>We found that the Council has:</p> <ul style="list-style-type: none"> • set a balanced budget for 2017/18 and is forecasting a balanced budget for 2018/19 and 2019/20 • a strong track record of delivering planned savings • plans to maintain a reasonable level of reserves in the medium term • provided in-year budget monitoring reports to Cabinet on a timely basis that paint a comprehensive picture of the Council's finances <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements for:</p> <ul style="list-style-type: none"> • planning finances effectively to support its strategic functions • making informed decisions.
<p>Ofsted inspection of children's services 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 was carried out in March 2017.</p>	<p>We updated our understanding of the Council's arrangements following the result of the latest Ofsted inspection and considered their adequacy.</p>	<p>The latest inspection by Ofsted concluded that services for children in Coventry are no longer inadequate and, overall, have been rated as 'requires improvement to be good'. Within this overall assessment experiences and progress of care leavers were rated as good.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements for ensuring high quality and effective children's social care services.</p>

Value for Money (continued)

Table 2: Value for money risks

Significant risk	Work to address	Findings and conclusions
<p>West Midlands Combined Authority The Council must work effectively with the West Midlands Combined Authority (WMCA) 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>We assessed whether the Council has adequate arrangements in place to work with the WMCA to deliver strategic priorities, such as through the Business Rates Retention pilot.</p>	<p>We found that the Council has:</p> <ul style="list-style-type: none"> adequately assessed the risks arising from the creation of WMCA and has put arrangements in place to mitigate and manage those risks taken advantage of the opportunities offered by the Devolution Deal by participating in the business rates retention pilot obtained WMCA funding for the Friargate and City Centre South initiatives seconded key officers to WMCA, thus ensuring that Coventry's voice is heard within the highest levels of that body. <p>Whilst we are satisfied that that finance risks are being adequately identified and considered, Members should be aware that funding for a number of the schemes in WMCA's Investment Plan are not certain. In particular,</p> <ul style="list-style-type: none"> the £36.5 million annual revenue funding from the Devolution Deal is subject to a jointly agreed 5-yearly gateway assessment process to confirm the investment has contributed to economic growth a significant proportion of WMCA's planned borrowing is supported by Mayoral revenue streams and currently there is uncertainty over how this income will be generated. <p>On that basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements for working effectively with third parties to improve services.</p>

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Fees

	Proposed fee £	Final fee £
Council audit	173,460	173,460
Grant certification*	15,698	15,698
Total audit fees (excluding VAT)	189,158	189,158

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

*Grant certification

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited. This work is not due to be completed until the end of November 2017. Therefore, we are unable to confirm the final fee at this time. Any variation to the fee would be subject to approval by PSAA. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Reports issued

Report	Date issued
Audit Plan	3 April 2017
Audit Findings Report	11 September 2017
Annual Audit Letter	9 October 2017

Fees for other services

Service	Fees £
Audit related services:	
• Certification of 2016/17 Teachers Pension Return	4,200
Non-audit services	
• CFO Insights (Full cost for 3-year subscription is £30,000. Annual charge is £10,000)	10,000
• Opportunity West Midlands Training Programme	15,000

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all other services which were identified.
- We have considered whether other services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place, as reported in our Audit Findings Report.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor and have been approved by the Audit and Procurement Committee.



© 2017 Grant Thornton UK LLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk

This page is intentionally left blank



Coventry City Council

Briefing Note

To: Audit and Procurement Committee

Date: 13th November 2017

Subject: City Council Treasury Management Investment Activity

1 Background and Purpose of the Note

This note provides an update on the Council's Treasury Management activity.

2 Treasury Management Activity

- 2.1 Appendix 1 in this report shows the Council's Lending List – a list of those banking and government institutions that the Council's Investment Strategy allows us to invest cash balances with. Appendix 2 shows the most recent list of investments that the Council holds.
- 2.2 The current lending list is maintained in line with advice provided by the Council's Treasury Management advisors (Arlingclose) which bases its judgement on information from credit rating agencies.
- 2.3 Since the last report in October 2016, the main change to the lending list is the reduction in the counterparty limits. The counterparty limits are based on the expected cash levels for the coming year. As a result of paying three years pension contributions upfront, totalling £93.3m it was anticipated that the Council's cash balances would be lower than previous years. Therefore counterparty limits have been reduced from £10m to £8m.

Also, three unrated Building Societies and a Bank have been removed from the approved lending lists based on advice from Arlingclose due to worsening credit metrics. The Council have never dealt with any of the institutions involved.

The counterparty limits have also been adjusted based on school current account balances. The Council takes these into consideration when setting counterparty limits as in the event of a bank failure these balances would be bailed-in as well as Council investments. School current account balances held with Lloyds Bank have increased, therefore, the Council's counterparty limits with Lloyds bank has reduced to £3.4m from £4.4m. The Council currently holds an investment with Lloyds bank for £4.4m however, this is within the Treasury Management Strategy because, although it is exceeding the counterparty limit now, when the investment was made it was within the counterparty limit.

There are two instances where the Council's current investments exceed the counterparty limit of £8m. The first of these is the 95 day notice account with Santander and the other is the investment in the CCLA property fund. While it is within the Council's Treasury Management Strategy to hold investments over the current counterparty limit as long as the counterparty limit wasn't breached at the time of investment, the decision has been made to disinvest £2m from the Santander notice account to bring the investment in line with current limits and the Council are currently serving the notice period before receiving the funds.

With regard to the CCLA property fund, a decision was made by Council to adjust the Treasury Management Strategy to increase the maximum investment limit with property funds to £10m to take advantage of the relatively strong returns from the fund combined with the relatively high level security within this type of investment. Full details can be seen in the lending list in Appendix 1.

2.4 The total level of investment balances held by the Council stood at £110.4m as at 20th October 2017 compared with £178.9m as at 21st October 2016. The main reason for the reduction in investment balances over the past 12 months is due to the £93.3m upfront pension contribution payment made in April 2017. The breakdown of these balances is shown below.


	21/10/2016 £m	20/10/2017 £m
Bank Deposits	53.4	24.4
Local Authority Deposits	5.0	0.0
Money Market Funds	32.1	26.7
Collective Investment Funds	38.5	39.9
Corporate Bonds	34.9	11.4
Housing Associations	15.0	8.0
Total	178.9	110.4

2.5 Since the last report no short term borrowing has been undertaken, due to the high levels of investment balances held by the Council.

2.6 The counterparty limit with NatWest is only £3.5m due to them having a lower credit rating (BBB+) than other UK banks and some schools have their current accounts with NatWest. On 12/09/2017 the Council exceeded that limit with an end of day balance of £4.6m. This was due to uncertainty surrounding a potential receipt of £4.5m relating to the Whitley South scheme. All dealing needs to be done by 1pm before investment markets close and so the decision was taken to proceed as if the receipt would not be received to negate the risk of the Council having an overdrawn balance. However, at 4pm the Council did receive the £4.5m leading to the end of day balance of £4.6m.

Counterparty limits are a notional limit set by the Council designed to reduce exposure to Council investments being bailed-in in the event of a bank failure. As such exceeding counterparty limits carries no penalties other than The Council has an increased exposure to investments being bailed-in if NatWest had defaulted overnight on 12/09/2017.

Appendix 1

 COVENTRY CITY COUNCIL LENDING LIST							24/10/2017 Position number in Investment Grade			
USING MINIMUM ACCEPTABLE CREDIT QUALITY Institution		Country	Long Term Rating			Limit £m	Term Limit	Fitch	Moody's	S&P
			Fitch	Moody's	S & P					
Debt Management Office		UK	AA+	Aa1	AAA		50 years	2	2	1
Local Authorities		UK	AA+	Aa1	AAA	£8m	25 years	2	2	1
HSBC Bank plc (* See note below)		UK	AA-	Aa3	AA-	£7.8m	6 Months	4	4	4
Lloyds Bank Group										
Bank of Scotland plc (** See note below)		UK	A+	Aa3	A	£3.4m	6 Months	5	4	6
Barclays Bank plc		UK	A	A+	A	£8m	100 Days	6	5	6
Coventry BS		UK	A	A2		£8m	6 Months	6	6	
Close Brothers Ltd		UK	A	Aa3		£8m	6 Months	6	4	
Lloyds Bank Group										
Lloyds Bank plc (** See note below)		UK	A+	Aa3	A	£3.4m	6 Months	5	4	6
Nationwide BS		UK	A+	Aa3	A	£8m	6 Months	5	4	6
Santander UK Plc (Abbey)		UK	A	Aa3	A	£8m	6 Months	6	4	6
Standard Chartered Bank		UK	A+	A1	A	£8m	100 Days	5	5	6
Goldman Sachs International Bank		UK	A	A1	A+	£8m	100 Days	6	5	5
Leeds Building Society		UK	A-	A3		£8m	100 Days	7	7	
National Westminster Bank & Royal Bank of Scotland plc		UK	BBB+	A3	BBB+	£3.5m	35 Days	8	7	8
DARLINGTON BUILDING SOCIETY		UK				£1m	100 Days			
FURNESS BUILDING SOCIETY		UK				£1m	100 Days			
HINCKLEY & RUGBY BUILDING SOCIETY		UK				£1m	100 Days			
LEEK UNITED BUILDING SOCIETY		UK				£1m	100 Days			
MANSFIELD BUILDING SOCIETY		UK				£1m	100 Days			
MARSDEN BUILDING SOCIETY		UK				£1m	100 Days			
MELTON MOWBRAY BUILDING SOCIETY		UK				£1m	100 Days			
NATIONAL COUNTIES BUILDING SOCIETY		UK				£1m	100 Days			
NEWBURY BUILDING SOCIETY		UK				£1m	100 Days			
SCOTTISH BUILDING SOCIETY		UK				£1m	100 Days			
TIPTON & COSELEY BUILDING SOCIETY		UK				£1m	100 Days			
Australia and New Zealand Banking Group Ltd		AU	AA-	Aa3	AA-	£8m	6 Months	4	4	4
Commonwealth Bank of Australia		AU	AA-	Aa3	AA-	£8m	6 Months	4	4	4
Westpac Banking Corporation		AU	AA-	Aa3	AA-	£8m	6 Months	4	4	4
Bank of Montreal		CA	AA-	A1	A+	£8m	6 Months	4	5	5
Bank of Nova Scotia		CA	AA-	A1	A+	£8m	6 Months	4	5	5
Canadian Imperial Bank of Commerce		CA	AA-	A1	A+	£8m	6 Months	4	5	5
Royal Bank of Canada		CA	AA	A1	AA-	£8m	6 Months	3	5	4
Toronto Dominion Bank		CA	AA-	Aa2	AA-	£8m	6 Months	4	3	4
Danske Bank A/S		DK	A	A1	A	£8m	100 Days	6	5	6
OP Corporate Bank		FI		Aa3	AA-	£8m	6 Months		4	4

LANDESBANK HESSEN-THURINGEN	GE	A+	A1	A	£8m	6 Months	5	5	6
Cooperative Centrale Raiffe (Rabobank)	NE	AA-	Aa2	A+	£8m	13 Months	4	3	5
ING Bank NV	NE	A+	Aa3	A+	£8m	100 Days	5	4	5
DBS Bank Ltd	SI	AA-	Aa1	AA-	£8m	13 Months	4	2	4
Oversea-Chinese Banking Corp	SI	AA-	Aa1	AA-	£8m	13 Months	4	2	4
United Overseas Bank Ltd	SI	AA-	Aa1	AA-	£8m	13 Months	4	2	4
Nordea Bank AB	SW	AA-	Aa3	AA-	£8m	13 Months	4	4	4
Svenska Handelsbanken AB	SW	AA	Aa2	AA-	£8m	13 Months	3	3	4
Credit Suisse	SZ	A	A1	A	£8m	100 Days	6	5	6
MONEY MARKET FUNDS (MMFs)									
Deutsche Bank Advisors	Ireland		Aaa	AAA	£8m			1	1
Federated Investors	UK	AAA	Aaa	AAA	£8m		1		1
HSBC Asset Management	Ireland		Aaa	AAA	£8m			1	1
Morgan Stanley Investment Management	Luxembourg	AAA	Aaa	AAA	£8m				
Standard Life Investments	Ireland	AAA		AAA	£8m		1		1
							8 = Borderline rating		
HSBC Bank plc * - (Reduced limit)	UK	£0.2m School balances at HSBC							
Lloyds Banking Group									
Bank of Scotland plc ** - (Reduced limit)	UK	£4.6m School balances at Lloyds							
Lloyds Banking Group									
Lloyds Bank plc ** - (Reduced limit)	UK	£4.6m School balances at Lloyds							
RBS Group									
National Westminster Bank *** - (Reduced limit)	UK	£0.5m School balances at Nat West							
RBS Group									
Royal Bank of Scotland plc *** - (Reduced limit)	UK	£0.5m School balances at Nat West							
Group Limits: £16m per non UK Country, £16m in total in Unrated Building Societies.									

Appendix 2

TEMPORARY LOANS BOOK

Balances as at the 20/10/17

<u>LOAN REF.</u>	<u>LENDER NAME</u>	<u>BROKER</u>	<u>PRINCIPAL</u>	<u>START DATE</u>	<u>MATURITY DATE</u>	<u>INITIAL INT RATE</u>	<u>DAYS</u>	<u>INT DUE</u>
TEMPORARY LOAN OUT (DEPOSIT)								
200004136	GOLDMAN SACHS INTER BANK	BT	2,500,000.00	27/07/17	03/11/17	0.310000	99	2,102.05
200004137	GOLDMAN SACHS INTER BANK	BT	3,000,000.00	28/07/17	03/11/17	0.310000	98	2,498.99
200004138	GOLDMAN SACHS INTER BANK	BT	2,500,000.00	03/08/17	10/11/17	0.330000	99	2,237.67
200004140	DARLINGTON BUILDING SOC	SB	1,000,000.00	31/08/17	08/12/17	0.380000	99	1,030.68
200004141	NATIONAL COUNTIES B SOCIETY	BT	1,000,000.00	15/09/17	22/12/17	0.350000	98	939.73
200004126	LLOYDS BANK	N/A	4,400,000.00	07/04/17	09/04/18	0.800000	367	35,392.88
200004133	PLACES FOR PEOPLE HOME LTD	BT	3,000,000.00	25/04/17	24/04/18	1.250000	364	37,397.26
200004135	PLACES FOR PEOPLE HOME LTD	BT	5,000,000.00	03/07/17	02/07/18	1.250000	364	62,328.77
			22,400,000.00					143,926.03
TEMPORARY LOAN OUT (CALL DEPOSITS)								
200004051	SANTANDER UK plc	N/A	10,000,000.00	06/08/15		0.400000		Call Money
			10,000,000.00					
FIXED BONDS								
1700000039	DAIMLER AG	KS	5,000,964.66	02/12/16	01/12/17	0.728307	364	36,222.84
1700000042	RELX INVESTMENTS PLC	KS	1,014,721.87	29/08/17	11/12/17	0.615000	104	1,778.13
1700000017	COVENTRY BUILDING SOCIETY	KS	5,398,330.00	06/11/15	19/04/18	1.272358	895	168,422.05
			11,414,016.53					206,423.02
MMF DEPOSITS								
2400000002	SLI INVESTEMNTS LIQUIDITY	N/A	8,000,000.00	04/09/12		0.195165		
2400000003	HSBC STERLING LIQUIDITY	N/A	0.00	04/09/12		0.149600		
2400000004	FEDERATED PRIME RATE	N/A	8,000,000.00	17/09/12		0.200202		
2400000005	DEUTSCHE MANAGED STERLING	N/A	8,000,000.00	19/07/13		0.194180		
2400000006	MORGAN STANLEY	N/A	2,650,000.00	10/06/16		0.163118		
			26,650,000.00					
COLLECTIVE INVESTMENT FUNDS								
2800000004	PAYDEN & RYGEL	N/A	7,946,212.38	01/02/12				
2800000005	FEDERATED PRIME RATE C+	N/A	5,158,856.78	27/03/13				
2800000006	CCLA INVESTMENT MGT LTD	N/A	10,000,000.00	28/11/13				
2800000007	SLI SHORT DURATION FUND	N/A	7,911,233.96	18/03/15				
2800000008	ROYAL LONDON ASSET MGT	N/A	4,840,255.99	27/09/16				
2800000009	ROYAL LONDON ASSET MGT	N/A	3,020,344.99	27/09/16				
2800000010	DB SHORT DURATION FUND	N/A	1,003,676.89	01/02/17				
			39,880,580.99					
GRAND TOTAL			110,344,597.52					

This page is intentionally left blank



Coventry City Council

Public report

Report to

Audit and Procurement Committee

13th November 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 Plan 2017-18 – Half Year Progress 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 internal audit activity for the period April to September 2017, against the Internal Audit Plan for 2017-18.

Recommendations:

Audit and Procurement Committee is recommended to:

1. Note the performance as at quarter two against the Internal Audit Plan for 2017-18.
2. Consider the summary findings of the key audit reviews (attached at Appendix Two).

List of Appendices included:

Appendix One - Audit Reviews Completed between April and September 2017

Appendix Two - Summary Findings from Key Audit Reports

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 Plan 2017-18 – Half Year Progress Report

1. Context (or background)

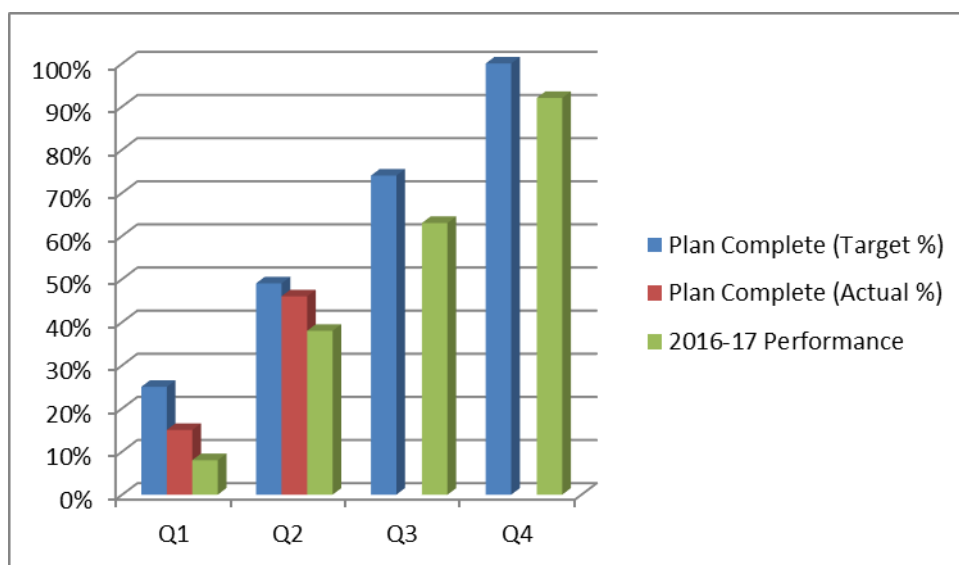
1.1 This report is the first monitoring report for 2017-18, which is presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

2. Options considered and recommended proposal

2.1 Delivering the Audit Plan

The key target facing the Internal Audit Service is to complete 90% of its work plan by the 31st March 2018. The chart below provides analysis of progress against planned work for the period April to September 2017.

Chart One: Progress against delivery of Internal Audit Plan 2017-18



As at the end of September 2017, the Service has completed 46% of the Audit Plan against a planned target of 49% (which is based on delivering 100% of the plan) and is on track to meet its key target by the end of 2017-18. This also represents an improvement in performance from 2016-17.

2.2 Other Key Performance Indicators (KPIs)

In addition to the delivery of the Audit Plan, the Internal Audit Service has a number of other KPI's which underpin its delivery. The table overleaf shows a summary of the performance for 2017-18 to date against these five KPIs, with comparative figures for the financial year 2016-17. There is one indicator (i.e. audit delivered within budget days) where the Service's current performance is below expectations. Targeted actions by management to make improvements remain on-going as part of a continual focus to deliver greater efficiency in the Service. These include weekly progress meetings, improved use of technology to enable budget issues to be highlighted on a timely basis and targeted work with individual team members to improve performance.

Table One: Internal Audit Key Performance Indicators 2017-18

Performance Measure	Target	Performance Q2 2017-18	Performance 2016-17
Planned Days Delivered (Pro rota against agreed plan)	100%	49%	95%
% of work time spent on audit work	90%	91%	89%
Draft Report to Deadline (Draft issued in line with date agreed)	80%	81%	70%
Final Report to Deadline (Final issued within 4 weeks of draft)	80%	100%	97%
Audit Delivered within Budget Days	80%	70%	72%

2.3 Audits Completed to Date

Attached at Appendix One is a list of the audits finalised between April and September 2017, along with the level of assurance provided.

The following audits are currently in progress:

- **Audits at Draft Report Stage** – Data Protection: Childrens’ Services, Promoting Independent Living Service: Tenants Finances
- **Audits On-going** – Organised Crime Checklist, Raising Invoices Locally, Post 16 Schools Funding, LCS / Controc, Payment Audit Follow Up, New HR / Payroll Processes

Details of a selection of key reviews completed in this period are provided at Appendix Two. In all cases, the relevant managers have agreed to address the issues raised in line with the timescales stated. These reviews will be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

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 in regards to the delivery of the Annual Audit Plan ensures that the Council meets its statutory obligations in respect of maintaining an 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 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. Delays in the delivery of individual audits could occur at the request of the customer, which could impact on the delivery of the plan. This risk is managed through on-going communication with customers to agree timing and identify issues at any early stage to allow for remedial action to be taken.
- 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):

Name and job title:

Karen Tyler
Acting Chief Internal Auditor

Directorate:

Place

Tel and email contact:

Tel: 024 7683 4035
Email: Karen.tyler@coventry.gov.uk

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:				
Michelle Salmon	Governance Services Officer	Place	26/10/17	26/10/17
Paul Jennings	Finance Manager Corporate Finance	Place	26/10/17	26/10/17
Names of approvers: (Officers and Members)				
Barry Hastie	Director of Finance and Corporate Services	Place	26/10/17	27/10/17
Adrian West	Members and Elections Team Manager	Place	26/10/17	31/10/17

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

Appendix One – Audit Reviews Completed between April and September 2017

Audit Area	Audit Title	Assurance
2016-17 B/Fwd	Payment Audit	n/a Proactive
	Remote Working	Moderate
Corporate Risk	Constitution and Facilities Agreement	n/a Fact finding
Council / Audit Priorities	Public Health Commissioning and Contract Management	Significant
	Officer Gifts and Hospitality	Moderate
	Declarations of Interest	n/a Proactive
Regularity	Annual Governance Statement	n/a Annual Review
	S256 Health Grants	n/a verification
	Troubled Families Programme Claim 1	n/a verification
	Disabled Facilities Grant	n/a verification
	Teachers' Pension Scheme Grant	n/a verification
	Highway Maintenance Block Funding Grant	n/a verification
	Integrated Transport Block Funding Grant	n/a verification
	Highways Maintenance Challenge Fund Grant	n/a verification
	Highways Maintenance Challenge Fund Grant (Swansell Viaduct)	n/a verification
	Pothole Action Fund Grant	n/a verification
	Leigh Church of England Primary School	Moderate
	Whitmore Park Primary School	Moderate
	Coventry North Regeneration / North Coventry Holdings	Significant
	Due Diligence – Connecting Communities	n/a fact finding
	Due Diligence – Community Based Preventative Support Grant	n/a fact finding
Directorate issues	Direct Payments – set up of new process	N/a advice
	Housing Benefit Overpayments	Limited
	Provider Services Units Cash Handling	n/a fact finding
	Route 21 Purchasing Cards	n/a fact finding
	Building Facilities Management	Moderate
	Civil Engineering Support Framework Contract	Significant
Follow Up	Energy Bills	Limited
	Potters Green Primary School	Significant
	Card Refunds	Moderate
	Management of Plant and Equipment	Limited
	Data Protection	Moderate
	ICT Reviews	n/a (follow up of seven previous reviews)

Appendix Two – Summary Findings from Key Audit Reports Completed between April and September 2017

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Remote Working</p> <p>October 2017</p> <p>ICT Service Delivery Manager / IT Security Team Lead</p>	<p>Overall Objective: To ensure that the Council has appropriate and robust security controls in place to oversee the use of mobile devices to access the network and business systems, including the set up and management of laptops / smartphones and controls over data held / transmitted via these devices.</p> <p>Opinion: Moderate Assurance Summary / Actions Identified:</p> <p>The two main categories of devices in use at the Council for remote working are laptops and Windows smartphones and the “Standard for Remote Working” defines the Council’s requirements and arrangements relating to the control of such devices. Security settings are applied to both laptops and smartphones to minimise the risk of sensitive data they may contain being accessible to unauthorised individuals. These controls include:</p> <ul style="list-style-type: none"> • Enablement of firewalls. • Anti-virus software is installed and configured for regular automatic updating. • Devices with access to Council email managed via Office 365 are protected by device encryption. • The use of a password to access data is enforced. <p>Areas for improvement identified include:</p> <ul style="list-style-type: none"> • The “Standard of Remote Working” and other supporting documents to be reviewed and updated on at least an annual basis. • ICT to investigate options to ensure access to USB drives on Council laptops is restricted. • ICT to investigate options around implementing encryption on older mobile phones and devices. • ICT to create and maintain a log of all devices issued to and held by individual staff members.

Audit Review / Actions Due / Responsible Officer(s)	Key Findings
<p>Housing Benefit Overpayments</p> <p>March 2018</p> <p>Acting Head of Benefits, Senior Operational Manager, Team Manager - Benefit Overpayment Enforcement</p>	<p>Overall Objective: To provide assurance that robust systems are in place to ensure that on a timely basis, all income due to the Council as a result of housing benefit overpayments is effectively pursued and recovered.</p> <p>Opinion: Limited Assurance Summary / Actions Identified:</p> <p>The review identified the following areas of good practice:</p> <ul style="list-style-type: none"> • Processes are in place to ensure overpayments are notified to the Enforcement Team and work is on-going to make this process timelier. • Robust processes ensure that overpayments are correctly coded for subsidy purposes and the outcomes of checks are used to identify issues and take action to minimise overpayments arising from local authority error. <p>Whilst recognising the limited resources within the Enforcement Team and acknowledging that priority is given to pursuing “new” debt as this is more easily recoverable, the level of assurance reflects our view that as there is limited focus on older debts or those where recovery action stalls, the overall caseload is not being effectively managed.</p> <p>Areas for improvement identified include:</p> <ul style="list-style-type: none"> • Putting in place arrangements to allocate work arising from monthly checks and establishing an on-going programme of review work to ensure that all debts are given appropriate focus. • Considering whether issues around taking legal action can be resolved and taking appropriate action on current overpayments listed at court status. • Considering whether cases should continue to be referred to the collection agents. • Ensuring that where overpayment cases are put on attachment of earnings status that payment actually commences. • Considering whether management information reports can be further developed so the effectiveness of recovery action can be reviewed. <p>In addition, the Benefits Service recently invited the DWP to undertake an Overpayments Health Check. This highlighted further good practice within the Enforcement Team and opportunities for improvement. Alongside our review, the Service has a clear understanding of the actions required to further develop the effectiveness of arrangements, which will support future decision making around the work of the Team and the use of resources.</p>

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p>Management of Plant and Equipment Follow Up Review</p> <p>August 2017</p> <p>Streetpride Area Manager North / South</p>	<p>Overall Objective: To provide assurance that agreed actions have been implemented to ensure that the Council has robust systems in place to oversee the management of small plant and equipment utilised by the Streetpride and Greenspace Service.</p> <p>Opinion: Limited Assurance Summary / Actions Identified:</p> <p>A total of five high / medium risk actions were originally identified and agreed in the November 2016 audit report. A summary of progress made against the agreed actions is shown below:</p> <table border="1" data-bbox="651 643 1854 775"> <thead> <tr> <th>Number of Actions</th> <th>Implemented</th> <th>No Progress</th> <th>On-going</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>2</td> <td>2</td> <td>1</td> </tr> </tbody> </table> <p>Actions implemented since the last review include:</p> <ul style="list-style-type: none"> The completion of the booking in / out record has significantly improved within the South Team and now provides a more complete / up to date record of spare equipment issued. A booking in / out record has been introduced within the North Team and there was evidence that this was being used. <p>Actions that have not been implemented / are ongoing include:</p> <ul style="list-style-type: none"> No consideration has been given to introducing a single inventory system using the Tranman system. This action has been delayed as it is dependent on a review of the existing inventory records on Tranman which is yet to commence / still in progress. Periodic stock checks of plant and equipment have not been introduced. The North Team have not undertaken a review of the Tranman central asset register and whilst the South Team have commenced a review, at the time of the audit this process had not been completed. <p>The level of assurance reflects the fact that only limited progress has been made to address the high risk actions agreed. Revised implementation dates have been agreed with management and a further formal follow up review will be undertaken to gain assurance that the outstanding actions have been fully addressed.</p>	Number of Actions	Implemented	No Progress	On-going	5	2	2	1
Number of Actions	Implemented	No Progress	On-going						
5	2	2	1						

Audit Review / Actions Due / Responsible Officer(s)	Key Findings								
<p data-bbox="129 308 450 368">Energy Bills Follow Up Review</p> <p data-bbox="129 408 349 435">December 2017</p> <p data-bbox="129 475 479 608">Head of Facilities Management / Corporate Property Information Manager</p>	<p data-bbox="562 308 2056 368">Overall Objective: To provide assurance that agreed actions have been implemented to ensure that there are now effective and efficient processes in place to support the payment of energy bills, which reflect the risks involved,</p> <p data-bbox="562 408 1429 435">Opinion: Limited Assurance Summary / Actions Identified:</p> <p data-bbox="562 475 2056 536">A total of four high / medium risk actions were originally identified and agreed in the November 2016 audit report. A summary of progress made against the agreed actions is shown below:</p> <table border="1" data-bbox="651 571 1854 707"> <thead> <tr> <th data-bbox="651 571 952 639">Number of Actions</th> <th data-bbox="952 571 1254 639">Implemented</th> <th data-bbox="1254 571 1554 639">No Progress</th> <th data-bbox="1554 571 1854 639">On-going</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 639 952 707">4</td> <td data-bbox="952 639 1254 707">0</td> <td data-bbox="1254 639 1554 707">0</td> <td data-bbox="1554 639 1854 707">4</td> </tr> </tbody> </table> <p data-bbox="562 746 2056 807">Whilst progress has been made to implement actions, in our view, the action taken to date has not fully addressed the audit concerns. This includes:</p> <ul data-bbox="562 847 2056 1286" style="list-style-type: none"> <li data-bbox="562 847 2056 946">• Responsibility for obtaining / providing monthly readings at specific sites has only been agreed / assigned in 25 out of 74 sites. Furthermore, testing of five meter readings provided to the Energy Management Team identified that in four cases the readings had not been input to Systemslink. <li data-bbox="562 986 2056 1085">• Whilst the validation checks within Systemslink have been reviewed / updated, this has not been subject to any sign-off by management and in reality, no reliance is being placed on them, with manual checks outside of the system still being undertaken on all bills. <li data-bbox="562 1125 2056 1185">• Testing highlighted that notifications of when Council properties are rented out / disposed of are not consistently being sent to the Energy Management Team. <li data-bbox="562 1225 2056 1286">• An appropriate central record of all bills placed on hold had yet to be introduced to enables management oversight of progress. <p data-bbox="562 1326 2056 1412">The level of assurance reflects the fact that only limited progress has been made to address the actions agreed. Revised implementation dates have been agreed with management and a further formal follow up review will be undertaken to gain assurance that the outstanding actions have been fully addressed.</p>	Number of Actions	Implemented	No Progress	On-going	4	0	0	4
Number of Actions	Implemented	No Progress	On-going						
4	0	0	4						

This page is intentionally left blank



Coventry City Council

Public report

Report to

Audit and Procurement Committee

13th November 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:

City Wide

Title:

Accounts Payable Recovery Audit 2016-17

Is this a key decision?

No

Executive summary:

The purpose of this report is to provide the Audit and Procurement Committee with an overview of the results of the Accounts Payable Recovery Audit 2016-17 and seek approval to participate in future annual audit exercises with the supplier.

Recommendations:

Audit and Procurement Committee is recommended to:

1. Note the outcome of the Accounts Payable Recovery Audit 2016-17 and the improvement actions identified as a result of this work.
2. Approve the option to undertake future annual proactive audit exercises with the supplier on accounts payable transactions.

List of Appendices included:

None

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:

Accounts Payable Recovery Audit

1. Context (or background)

1.1 The Council makes payments of over £300 million a year to suppliers and individuals through the Accounts Payable system within Agresso. Whilst robust controls are in place to ensure that transactions are complete and accurate, there is a residual risk that on occasion payments are made in error, or credit amounts owing are not identified and recovered. As such, it is common practice across local authorities to undertake proactive audits to identify and recover such items. Previous exercises on this have been carried out and in 2016, the Council engaged a supplier (Caatalyst Ltd) to undertake the latest audit, in-conjunction with support from Accounts Payable / Internal Audit.

1.2 The audit covered accounts payable transactions processed on the Agresso system up to 31st December 2016. The total spend reviewed was approximately £2 billion which represented around 500,000 lines of transaction data. The scope of the audit covered the following elements:

- Vendor statements – to identify, verify and recover credit notes and similar credit balances on vendor accounts due to the Council.
- Duplicate payments – to identify, verify and recover any duplicate payments made by the Council.
- VAT audit – to identify, verify and recover any VAT not recovered by the Council.

2. Options considered and recommended proposal**2.1 Audit results**

In total, the audit identified and recovered a sum of £218k, which consisted of 167 recovery items (this includes three outstanding recoveries which are still being processed at the current time). A breakdown of the recoveries by type is provided in table one overleaf. Whilst this is a significant sum, it represents 0.01% of the total spend reviewed and is well below the suppliers own benchmark of 0.02% across other clients. The supplier has commented that **“this is due to strong internal controls being implemented at a management and accounts payable level”** and in their opinion **“containing recoveries below 0.02% of the total spend can be seen as an excellent achievement in the context of overall spend”**. The Accounts Payable system is also subject to annual internal audit review and our view is consistent with the suppliers in that we have given “significant” assurance over this function for a number of years.

Notwithstanding this, we have reviewed the results of this audit to identify where control improvements can be made and have agreed a number of actions with management which will be taken forward. These are detailed in section 2.2 below.

Table one – breakdown of audit recoveries

Recovery type	Total recovered	% of total recovered
Credit notes	£66,632	31%
Duplicate payments	£14,172	6%
VAT input recovery	£24,136	11%
Other credit balances	£113,367	52%
Total	£218,307	100%

2.2 Control improvements

2.2.1 Following the results of this exercise, management have, in-conjunction with Internal Audit and the supplier, considered how these overpayments have arisen, to identify any control improvements which can be taken. A summary of these issues by recovery type and the agreed actions is provided below.

2.2.2 Duplicate payments – The Council already has robust controls in place to prevent / detect duplicate payments, including automated processes within the Agresso system which for example, prevent input of the same invoice number against the same supplier, and reports which are produced prior to every payment run to identify where the same invoice number has been input against different suppliers, to allow checks to be made. However, like most systems, there is an inherent risk that a duplicate payment could still be made as a result of human error in the processing of orders / invoices. However, given the controls in place, this risk is considered to be very small as reflected in the audit results, which only identified five duplicate payments. As such, further actions are not considered necessary.

2.2.3 Vendor statements: Credit notes – Unclaimed credit notes accounted for around 31% of all the recoveries in the audit. Credit notes can remain unclaimed because of a number of reasons, including; the credit note has been sent to the service area and they have failed to input it to Agresso, further payments have not been made to the supplier allowing the credit to be taken, the supplier has failed to issue a credit note due to the Council. Whilst we do not believe it is possible to eradicate these issues completely given the volume of transactions / suppliers, the following actions have been agreed to minimise their occurrence:

- Cascade training will be provided to responsible officers to raise awareness around the importance of processing credit notes.
- Suppliers are now requested to send all invoices / credit notes centrally to Accounts Payable, with service areas asked to enforce this requirement where they are still sent directly to them.
- Whilst Accounts Payable notify service areas where credit notes are not taken after three months, reliance is placed on the service to seek a refund of monies owed. To strengthen these arrangements, where high value credit notes remain outstanding on the Agresso system after this, these will be escalated appropriately to ensure that action can be taken by management to recover monies.

2.2.4 Vendor statements: Other credit balances – other types of credit balances such as un-reconciled cash on supplier's accounts accounted for 52% of all recoveries in the audit. Work undertaken has identified that a significant proportion of this total (£40k) related to a single care provider used by Adult Social Care. Consequently a separate review is currently being undertaken by Internal Audit to examine the specific reasons behind this in more detail and identify any areas for improvement. It is worth noting that social care providers were excluded from the scope of previous recovery audits and so perhaps not unsurprisingly, this exercise has highlighted larger recoveries from this type of supplier than in comparison to other service areas.

2.2.5 VAT – Whilst the VAT input recovery amounts were not a significant proportion of the total, it has been identified that these errors reflect the fact that supplier invoices can often come in a variety of formats and the VAT is not always clearly laid out, which can lead to it being missed. It has been agreed that training will be provided to appropriate officers to raise awareness around identifying VAT on invoices.

2.3 Options for future audit work

The use of proactive recovery audits provide another line of defence in the Council's control framework around accounts payable and clearly the results support undertaking future exercises of this type. As such, the following options exist:

- On-going rolling audit exercise – The supplier has offered the Council the option of entering into an on-going relationship, which would cover a two year period of accounts payable transactions from the 31st December 2016 up to 31st December 2018. This would result in an on-going resource implication for officers both within Accounts Payable and Internal Audit. However, as a rolling exercise, there would be limited opportunity for the Council to manage the impact of this. As such this is not the preferred option.
- Annual one off exercise – The Council also has the option of undertaking further “one off” annual exercises in the future. This option would enable the impact on officers' time to be managed more effectively as the timing of the work could be agreed to allow resources to be targeted accordingly. This would also allow appropriate time to be spent on the actions outlined in section 2.2. Whilst we would expect the level of recoveries to reduce over time as a result of these actions, sufficient time is required for this to be realised. For these reasons, this is the preferred option.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 If the Council enters into an on-going relationship with the supplier, it is envisaged that this would be established by 31st December 2017. If the decision is made to continue with an annual exercise, discussions will take place with officers in Accounts Payable and Internal Audit as to the specific timing of the next exercise.

5. Comments from the Director of Finance and Corporate Services

5.1 Financial Implications

The recovery of payments owing to the Council from suppliers or in respect of unclaimed VAT, and which have not otherwise been identified, has a direct, positive impact on the financial position of the Council.

Whilst the supplier retains a percentage of any monies recovered (which is standard practice in this field), the level of fees remains the same regardless whether the exercise is undertaken annually or on an on-going basis.

5.2 Legal implications

The Local Government Act 1972 requires the Council to have standing orders for making contracts. These are defined in the Council's Rules for Contracts which must be adhered to. The anticipated spend in relation to the audit fees for this work would normally require competitive quotations to be sought. As such, permission will need to be sought under the Council's process for granting exceptions to rules for contracts. Use of the supplier will be reviewed on an annual basis.

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)?

Undertaking audits to identify and recover monies owed to the Council, which have not otherwise been identified, contributes to ensuring that there effective arrangements in place to ensure proper financial administration within the Council.

6.2 How is risk being managed?

Whilst the Council has robust controls in place to ensure that accounts payable transactions are complete and accurate, there is a residual risk that on occasion payments are made in error, or credit amounts owing are not identified and recovered. This risk is managed through the conduct of proactive audit exercises to identify and recover such monies.

There is a risk that the exercise will not identify / recover any monies. This risk is managed through the agreed payment arrangement with the supplier whereby they are only paid a percentage fee of any monies recovered. If no monies are recovered, there is no cost to the Council.

Entering into an on-going rolling audit exercise may result in the risk that the Council has insufficient resources to support this work, given other priorities and workload. This risk can be managed through the preferred option of undertaking annual "one off" exercises, where the timing can be agreed to allow for resources to be targeted accordingly.

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):

Name and job title:

Karen Tyler
Acting Chief Internal Auditor

Directorate:

Place

Tel and email contact:

Tel: 024 7683 4035
Email: Karen.tyler@coventry.gov.uk

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:				
Michelle Salmon	Governance Services Officer	Place	26/10/17	26/10/17
Paul Jennings	Finance Manager Corporate Finance	Place	26/10/17	26/10/17
Mick Burn	Head of Procurement and Commissioning	People	24/10/17	26/10/17
Names of approvers: (Officers and Members)				
Barry Hastie	Director of Finance and Corporate Services	Place	26/10/17	27/10/17
Adrian West	Members and Elections Team Manager	Place	26/10/17	31/10/17

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

This page is intentionally left blank



Public report Audit and Procurement Committee

Audit and Procurement Committee

13 November 2017

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward affected:

None

Title:

Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000

Is this a key decision?

No

Executive Summary:

As part of the Children Services Transformation programme three Council employees have requested to be considered for ER/VR. As the severance package for each of these officers would exceed £100,000 the determination of these packages is a matter for the Committee.

Recommendations:-

The Audit and Procurement Committee are recommended to:-

- 1) Approve the severance package in respect of employee 1
- 2) Approve the severance package in respect of employee 2
- 3) Approve the severance package in respect of employee 3
- 4) Request that the Cabinet Member for Strategic Finance and Resources considers undertaking a review of the Council's organisational change process and associated Security of Employment Agreement (SOEA) to consider alternate options that may be available to the council to avoid the loss of organisational memory, knowledge, skills and competencies and the cost to the public purse.

List of Appendices included:

Appendix One: Children Services, including Connecting Communities Phase 2 Implementation (Family Hubs), Restructure Consultation Proposal

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?

No

Will this report go to Council?

No

Report title: Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000

1. Context (or background)

- 1.1. Following Ofsted inspections in 2014 and 2017, Children's Services Workforce Redesign is one of 9 projects, which together form the Children's Transformation Programme which supports the Services Improvement Plan.
- 1.2. The revised structure will deliver organisational and process changes which will allow Children Services to sustain and improve the service experience and outcomes for children and young people by reshaping the way that support is delivered to children and young people aged 0-19 years.
- 1.3. Children's Services Workforce Redesign pre-engagement took place 13th April until 26th April 2017. Formal Consultation with Trade Union colleagues and employees took place 8th May until 3rd August 2017.
- 1.4. As a result of the redesign some employees opted for ER/VR as part of the SOEA. Three employees have an exit package in excess of £100,000.
- 1.5. Part 2I of the Council's constitution requires that any severance package for an employee of the Council of £100, 000 or over should be determined by the Audit and Procurement Committee. When calculating the value of an exit package, a local authority should calculate and include the costs to the authority as well as payments/benefits to the employee. The pension strain costs have therefore been included to the redundancy cost for the total cost of severance. Pension strain is an additional one-off sum that an employer is required to pay to the Pension Fund in order to allow the early release of pension benefits without actuarial reduction.

2. Options considered and recommended proposal

- 2.1. Option 1:
Approve each of the three employees severance package
- 2.2. Option 2
Reject the employees early retirement/redundancy request and retain the employees continued employment in supernumerary posts.
- 2.3. The Committee is recommended to approve the early retirement / voluntary redundancy of the three employees referred to above in Option 1.
- 2.4. Refusal of the applications for early retirement/redundancy could result in the employees taking further action against the Council.

3. Results of consultation undertaken

- 3.1. Consultation has taken place with Trade Union colleagues. The consultation document was emailed to all of the employees whose posts were included in the service restructure and their Trade Union Representatives. Security of Employment Agreement One to One Meetings were held with all affected employees whose posts were included in the restructure proposal during August & September 2017.

4. Timetable for implementing this decision

- 4.1. Should the early retirement application be agreed, the employees contracts will end by 31st December 2017.

5. Comments from Director of Finance and Corporate Services

5.1. Financial implications

This Committee is considering exit payments exceeding £100,000; however, as part of the overall Service redesign further redundancies below this threshold have been agreed.

The proposed deletion of all the posts within the service restructure, including those where the cost of exit is over £100,000, contributes to the overall delivery of the Children's Services Transformational programme on workforce and business process. Once fully implemented the restructure delivers a £1.1M ongoing revenue saving.

It should be noted that one-off exit payments are generally met from reserves which have been specifically set aside for the purpose of meeting these costs. This then allows immediate savings to be made in revenue budgets once posts have been deleted.

5.2. Legal implications

The Guidance "Openness and accountability in local pay" was introduced by the Secretary of State for Communities and Local Government in accordance with section 40 of the Localism Act 2011. Local Authorities are required to have regard to this guidance in performing their functions in preparing and approving pay policy statements.

Part 2 of the Council's Constitution "Functions of the Audit and Procurement Committee" reflect the requirement for Members to approve exit packages which reach the threshold of £100,000.

6. Other implications

6.1. How will this contribute to achievement of the Council's Plan

The new workforce structure will support revised working arrangements enabling further progress in achieving the outcomes of the Children's Services Early Help Strategy & Improvement Plan; delivering earlier help to support vulnerable children & young people to maximise their life opportunities and where needed earlier intervention to mitigate and prevent harm to children at risk.

In supporting the development of an integrated children's service for all Children in Need, including the establishment of Family Hubs alongside coterminous social work services, the new arrangements will lead to more efficient working practices, achieving projected further reductions in workforce numbers over the next three years and reducing the demand for social work services, including care placements, in line with our statistical neighbours and local authorities judge as 'good' by Ofsted.

6.2. How is risk being managed?

The employees' early retirement and redundancy has been discussed with both the employees and their Trades Union representatives. The employees and their Trade Union representatives have been kept informed of developments including the need for Audit and Procurement Committee to approve exit packages in excess £100,000.

Scrutiny via the Audit and Procurement Committee reduces the risk of criticism as the governance arrangements are strengthened. In addition this practice is in line with the expected provisions in future regulations and legislation associated with public sector exit payments. These changes are expected next year.

6.3. What is the impact on the organisation?

The process has provided sufficient time for the manager, employee and Trade Union representative to consider the employees expression of interest and agree to the deletion of the posts that was aligned to a service re-design programme.

6.4. Equalities / EIA

An equality impact assessment is not required for the purposes of this report. However, all early retirement and redundancy applications and Human Resources activity are conducted in accordance with the Council's Equal Opportunities policy and the Public Sector Equality Duty.

6.5. Implications for (or impact on) the environment

None identified

6.6. Implications for partner organisations?

None identified

Report author:**Name and job title:**

John Gregg, Director of Children's Services and Barbara Barrett, Head of HR & OD

Directorate:

People

Tel and email contact:

Barbara.Barrett@coventry.gov.uk

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:				
Lara Knight	Governance Services Coordinator	Place		
Other members				
Names of approvers for submission: (officers and members)				
Finance: Barry Hastie	Director of Finance and Corporate Resources	Place	02.11.17	03.11.17
Legal: Julie Newman	Legal Services	Place	02.11.17	03.11.17
Gail Quinton	Deputy Chief Executive (People)	People	02.11.17	03.11.17
Members: Cllr Sucha Bains	Chair, Audit and Procurement Committee			

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

Appendix One – The Change Proposal for the Redesign of Children’s Services



Proposals for the Redesign of Children’s Services, including Connecting Communities Phase 2 Implementation (Family Hubs)

8 May 2017

Purpose

This document sets out the basis for consultation on the Childrens Transformation proposals to redesign the delivery of Children’s Services, including the creation of eight early help Family Hubs across the city, as described in the Connecting Communities Phase 2 proposals.

Background

This consultation process combines the implementation of the Family Hubs with the wider redesign of Children’s Services, reflecting the fundamental interdependence between our Early Help Strategy and Children’s Improvement Plan and the potential benefits for children, young people and families. Given the proposed integration and interdependent impact on both groups of staff, it is not appropriate to conduct separate consultation processes.

Children’s Services provides early help and specialist services for children and young people, aged 0 to 19 (up to 25 for some Care Leavers) and their families living in Coventry. The current service structure can be found at Appendix A.

The creation of eight Family Hubs was a recommendation included in the Connecting Communities Phase 2 proposals, agreed by elected members at a Cabinet Meeting held on 7 March 2017.

Reasons for Change/Business Rationale

Following our Ofsted inspections in 2014 and 2017 we are keen to build on the fundamental progress we have made in the intervening period and now need to reflect the wider Connecting Communities programme to transform and improve outcomes for the children, young people and their families living across the city. The workforce redesign is one of 9 projects, which together form the Children’s Transformation Programme supports our Improvement Plan. Our vision for Children’s Services sets out our aspirations for children and young people and their families.

The revised structure (Appendix B) will deliver organisational and process changes which will allow us to sustain and improve the service experience and outcomes for children and young people. This has been the focus of our Children’s Improvement plan and the

actions and plans endorsed by Ofsted and also to support an incremental shift of service investment into our family hub early help offer. The proposal is intended to;

- support us in responding earlier to children's and parents needs and targeting vulnerable & potentially vulnerable children
- reduce the number of repeat assessments & hand-offs or changes in worker that children and families currently experience
- enable single assessment or support plans to be created and sustained through a child's service journey & create more opportunities for other agencies and professionals to integrate their services with ours around the needs of individual children
- support the implementation of new ways of working or changes in statutory services based on developing a sustainable structure & resource base which will be affordable and viable as part of the Councils medium term financial strategy
- help develop a self-improving system of working where doing the right thing is made easier

Connecting Communities is an ambitious approach to redesigning services through collaboration with local communities. Phase 2 of Connecting Communities focuses on how services and support can be delivered differently in local communities with the greatest need, within the resources that are available.

Phase 2 comprises of two overarching proposals to reshape the way that support is delivered to children and young people aged 0 to 19 years and the provision of library services in the city. **A separate consultation process is being conducted for library staff.**

The grant Coventry received from central Government is estimated to have reduced by 55% between 2010 and 2020. The budget for Children's Services is 30% of the Council's net budget and therefore needs to contribute to achieving the reductions in resource.

The scale of grant cuts means the current way in which we deliver services is no longer sustainable. The financial position and the needs of residents needs to be balanced alongside making radical changes in the delivery of services. This means working closely with staff, residents and partners in new ways to optimise the total public funding that remains to support the most vulnerable in the city.

The Children's Services Transformation Programme has an overall savings target of £11.6m, including an original workforce redesign target of £3.8m and Connecting Communities Phases 1 and 2 have a combined savings target of £2.8m for Early Help. Due to planned reductions in over-establishment staffing levels and agency levels approximately £1M of the workforce redesign saving has already been achieved, leaving £2.8M to be achieved by 2019/20. Connecting Communities Phase 1 Savings have already been delivered, leaving the Phase 2 to be delivered as part of this consultation. This equates to £2.5M (of which £2.1M relates to a staffing saving) so a total savings requirement against staffing of £4.9M.

The redesign that is being consulted on delivers £4.3M of the staffing saving required by 2019/20. This includes an assumption that there is an overall caseload reduction of 500 within that timescale. This gap in delivery is in recognition of the need for the service to make continued progress to transform and improve outcomes for the children, young people and their families living across the city, and will need to be reviewed in the context of the delivery of the overall programme within Children's and the People Directorate.

Basis for Proposal

The Connecting Communities proposal transforms the way in which services are delivered by Children's Services. It will see the ceasing of all City Council universal youth work and directly provided term time nursery provision. The contracts with three existing private, voluntary and independent children's centre providers will all end by May 2017. Eight Family Hubs, providing for 0 to 19 year olds across all of the city will be developed in existing Children's Centres with Family Hubs located in areas of highest need; Bell Green, Foleshill, Tile Hill, Radford, Moat House (Wood End), Middle Ride (Willenhall), Gosford Park and Hillfields. The City Council will incorporate delivery of a targeted and specialist youth offer focused on young people who are hardest to reach and most vulnerable as part of the family hub model.

Significant engagement and consultation has already taken place with regard to the proposals for Connecting Communities Phase 2 around Family Hubs. This included 52 consultation meetings with members of the public and 23 with staff and an online survey. Feedback was also encouraged and received through a variety of media including; drawings, letters, emails, videos and a number of petitions.

Staff engagement workshops were held in April during which the outline structure proposals were shared, along with the basis for the redesign and staff were encouraged to feedback comments, questions and alternative proposals during these sessions, via an online survey or through individual emails to the children's transformation email address. This valuable feedback has been taken in to account in establishing the formal consultation.

The current use of agency social workers by the service has considerably reduced as our recruitment and retention rates have improved and the proposed structure assumes there will be only very occasional need for additional funding to employ agency social workers to cover vacancies and absences. However in recognising that we have a young and predominantly female social worker workforce we have included additional staffing costs of £500K per annum to fund staffing to meet the likely need to cover for maternity leave and support the ongoing reduction in agency social worker costs.

In addition the savings recognise that there is a further piece of work to do in relation to review and reduction of the overall activity in the system.

Proposal

The proposals incorporate Connecting Communities Phase 2 and the Children's Services redesign proposals and outline plans to reduce staffing by 85.62 full time equivalent employees (FTE).

The attached tables detail the current staffing establishment by team and the proposed new structure establishment. Proposed savings will be made against the deletion of vacancies, cessation of temporary contracts and the granting of ER/VR to applicants from ER/VR Programme 6 where possible. The proposals may also incur some further redundancies. In these circumstances the Security of Employment agreement will be applied. For more information see;

http://beacon.coventry.gov.uk/directory_record/285/change_management

The following teams are included in this restructure process;

- Early Years, Children Centres and Parenting
- Children and Families First
- Children's Social Care
- Youth Service
- Fostering
- Looked After Children
- Crisis Intervention
- CBAS
- Contact Service
- FDAC
- Adoption Permanency Team
- Young Carers Support
- Route 21
- Emergency Duty Team
- IRO Looked after and Child Protection Service
- LADO
- Family Group Conferencing
- Strategic Commissioning
- Placement Team
- Referral and Assessment Service
- MASH
- Initial Contact Service
- CSE Team
- Horizon Missing Children Service
- Troubled Families
- Multi Systemic Therapy Team

The following teams are not included in this restructure process;

- Youth Offending Service
- Adoption Support and Family Finding and Adoption – Recruitment and Assessment Teams (Adoption Central England arrangements to be confirmed)
- Internal residential children's homes
- All Age Disability Team
- Posts funded through the Safeguarding Board

The following list states the posts that will be directly job matched.

- Social Workers (Grade 7)
- Social Work Senior Practitioners (Grade 8)
- Social Work Team Managers (Grade 9)
- CAF Co-ordinators
- Troubled Families Programme Manager
- Troubled Families Data Analyst
- Assistant Psychologist

- Leaving Care Personal Advisers

The following posts will transfer to the central Education establishment:

- Childcare Quality Regulation Adviser X 9 posts
- Childcare Sufficiency Officer
- Childcare Data Manager
- Senior Children and Family Worker (Schools) X 1.9 fte posts
- Children and Family Worker (Schools) X 2 posts

Existing Nursery Employees

The employment position of those employees who currently occupy a post based in a City Council provided Nursery which will cease on 31st August 2017 as part of the implementation of Phase 2 Connecting Communities will be impacted in a variety of possible outcomes, as set out below;

- Post deleted and employee served notice in line with the Security of Employment
- Post transfers to a locally maintained school establishment and employee remains a City Council employee
- Post transfers to a Private, Voluntary and Independent Sector organisation or an Academy or Trust School under TUPE Regulations and the employee becomes an employee of the new service provider organisation

The outcome of Expressions of Interest in providing replacement Nursery provision once the City Council ceases to provide the service will be known by the end of May 2017 and the outcome of this process and impact in terms of staffing will be communicated at this time.

Temporary and Seconded Employees

The ring fences and job matches proposed in this consultation include existing permanent employees only. Individual contractual positions for temporary employees will be considered and the appropriate communication regarding impact on contractual position will be shared once the final structure to be implemented is known.

Substantive posts will be used for seconded employees and employees in “acting up” positions when considering proposed job matches and ring fences.

Principles of Implementation Process

Implementation will take place, following the close of the consultation period and publication of formal response to consultation, in line with the Security of Employment Agreement (SOEA).

A number of applications for ERVR Round 6 were received from within Children’s Services and where possible these applications have been agreed in line with Service requirements with a release date of no later than 31 May 2017.

Population of Proposed Structure

Through a process of job matching and ring fenced appointments most posts within the new structure will be appointed to internally within Children's Services initially, followed by recruitment at a corporate level and finally external recruitment to any remaining vacancies. However it will be appropriate for some posts to be advertised externally if there are no suitable job matches or ring fences.

A 1:1 meeting will be arranged with any employee whose post is to be deleted or ring-fenced to discuss the implications that this will have for them and the options available as outlined in the Security of Employment Agreement policy. Job matched employees will be advised in writing of the job match role.

A trades union representative or work colleague will be entitled to accompany the employee to the 1:1 meeting.

Where there are not enough or too many volunteers for ER/VR within the stated ring fences it may be necessary for the Council's redundancy selection criteria to be applied as follows:

- Sickness absence (using the Bradford Factor) – discounting any disability and maternity related absence. This will be based over a three year period ending on the date consultation began. Employees will be given the opportunity to verify their records
- Disciplinary record – taking into account any live formal warnings on an employee's record at the time the selection criteria is applied
- Performance – where there is competition for posts we will use skills matching via selection tests

Job Matches and Ring Fencing

The attached table sets out initial proposals for ring fences and job matches. These will be subject to further discussion with Trade Union representatives and may be amended following further consideration and feedback. An agreed implementation plan will be communicated following the conclusion of formal consultation.

Transition Support and Development

Employees that are moving to new teams or services will be provided with additional support and development to enable them to develop their cores skills knowledge and learning. This will include bespoke learning and professional development, coaching and mentoring to support the transition into the new role.

Equalities Impact

An Equalities Impact Assessment is currently being compiled and will be circulated for information during the consultation period once it is completed.

Consultation

The consultation period will commence on 8 May 2017 for a period of 45 days, ending at 5pm on 21 June 2017. The consultation will involve all employees affected by the proposals and Trade Unions.

During the consultation questions, comments and proposals are encouraged and should be submitted in writing to childrenstransformation@coventry.gov.uk
A formal response will be given to all written submissions.

As required under section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 the City Council is required to notify the Redundancy Payments Service if there is a proposal to dismiss 20 or more employees at one establishment within a 90 day period or less. The required HR1 form will be completed by Human Resources.

Communication

The consultation will be launched by a link to this document being emailed to all employees within the service on 8 May 2017 following a formal consultation meeting with Trade Union representatives. Employees on maternity leave and those that are absent long term will have the document posted to their home address.

Following the launch, a number of meetings will be held with employees to outline the proposals and give an opportunity to raise any questions or concerns. These meetings will be held as follows:

AREA	DATE	TIME	TEAM	LOCATION
Paul Smith Strategic Lead for Looked After Children	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		11:00 – 11:30	Team Managers	Room 240, 1 st floor CC1
		12:00 – 12:30	Disability Team & Broad Park manager	Logan Road
		12:30 – 1:15	LAC Team	Logan Road
		1:30 – 2:15	Route 21	Southfields Old School
		2:45 – 3:15	Crisis Intervention Team	Charter Avenue
		3:45 – 4:30	Fostering Team	Ellen Terry Suite
		4:30 – 5:00	Adoptions Team	Ellen Terry Suite
	Tuesday 9 May	12:00 – 12:30	EDT Team	Southfields Old School

AREA	DATE	TIME	TEAM	LOCATION
Neil MacDonald Strategic Lead for Quality	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		12:00 – 12:30	Team Managers	Rm 47, CC1
		2:30 – 3:30	All staff: Commissioning, Safeguarding,	Dame Ellen Terry Suite

Assurance & Performance			IRO's, Child Protection, Family Group Conferencing, VoC	
------------------------------------	--	--	---	--

AREA	DATE	TIME	TEAM	LOCATION
Lee Pardy-McLaughlin Principal SW	Monday 8 May	1:00 – 1:30	Social Worker Practitioners	Rm 132, 1 st floor CC1

AREA	DATE	TIME	TEAM	LOCATION
Jane Brooks Strategic Lead for Help & Protection	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		11:15 – 12:00	Team Managers	Lord Mayor's Hospitality Suite
		12:15 – 1:15	Group 1	
		1:30– 2:30	Group 2	
		2:45 – 3:45	Group 3	
		4:00 – 5:00	Group 4	

A log of FAQs will be maintained and distributed to employees at regular intervals during consultation, along with any additional briefing required.

Meetings with Trade Union representatives will take place as required during the consultation period to discuss any issues pertinent to the proposals.

Employees are also encouraged to raise any questions, queries or concerns they have to their line manager, their Trade Union representative or to any of the managers listed in the contact list below.

Implementation

At the end of the consultation period, further communication will take place with employees and Trade Union representatives to inform them of the outcome of consultation.

Timeline

This timeline is for guidance only and is subject to change.

Date w/c	Action
8 May 2017	Consultation begins
21 June 2017	Consultation ends
22-28/6/2017	Consideration of questions, queries, comments, counter proposals etc.
29/6/2017	Issue response to consultation and confirm implementation plans
Week commencing 3/7/2017	N.B – Depending on any changes to the proposals as a result of consultation Undertake SOE 1:1 meetings Issue preference forms and sickness absence records for verification
12/7/2017	Deadline for return of preference forms and verified sickness absence records
13-14/7/2017	Job Match process for posts not requiring a selection process Write to employees confirming appointment to post
Weeks commencing 17/7/2017 and 24/7/2017	Selection processes for ring fenced posts Write to employees confirming appointment to post
July and August	Provide transitional support, training and development where required for employees moving into new roles and/or services
August	Broader City Council and External Recruitment processes for any remaining vacancies
1 st September	Commence Implementation of new structure commences

Appendices

Appendix 1	Current Structure Charts
Appendix 2	Proposed Structure Charts
Appendix 3	Current Structure by team
Appendix 4	Proposed Structure by team
Appendix 5	New Job Descriptions

Contact List

12. Contact List

Name	Role	Telephone Number	Email
John Gregg	Director of Children's Services	024 78 83 3402	john.gregg@coventry.gov.uk
Jane Brooks	Strategic Lead Help and Protection	024 7683 3403	jane.brooks@coventry.gov.uk
Neil MacDonald	Strategic Lead Quality, Performance and Strategic Commissioning	024 7683 1652	neil.macdonald@coventry.gov.uk
Paul Smith	Strategic Lead Looked After Children	024 7883 7388	paul.smithcyp@coventry.gov.uk
Lee Pardy-McLaughlin	Principal Social Worker Children	0247683 1635	lee.pardy-mclaughlin@coventry.gov.uk
Kate Eales	HR Advisor	024 7683 2603	kate.eales@coventry.gov.uk
Dawn Palmer-Ward	UNISON	024 7652 1127	dawn.palmer-ward@coventry.gov.uk
David Cairns	UNITE	024 7683 3235	david.cairns@coventry.gov.uk
Andy Groves	GMB	024 7683 3230	andrew.groves@coventry.gov.uk
Natalie Seaman	UNITE	024 7683 2555	natalie.seaman@coventry.gov.uk

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank