



## RUSHMOOR BOROUGH COUNCIL

# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

*at the Council Offices, Farnborough on  
Thursday, 1st June, 2023 at 7.00 pm*

To:

Cllr P.J. Cullum (Chairman)  
Cllr S. Trussler (Vice-Chairman)

Cllr A. Adeola  
Cllr C.W. Card  
Cllr A.H. Gani  
Cllr Christine Guinness  
Cllr Nadia Martin  
Cllr Sarah Spall  
Cllr Nem Thapa  
Cllr Jacqui Vosper  
Cllr G. Williams

Mr T. Davies – Independent Member (Audit)

### STANDING DEPUTIES

**Conservative Group:**

Cllr Peace Essien Igodifo  
Cllr S.J. Masterson

**Labour Group:**

Cllr K. Dibble  
Cllr C.P. Grattan

**Liberal Democrat:**

Cllr T.W. Mitchell

Enquiries regarding this agenda should be referred to the Committee Administrator,  
Kathy Godden, Democracy Team Tel. (01252 398829) or email  
kathy.godden@rushmoor.gov.uk.

## **A G E N D A**

1. **MINUTES – (Pages 1 - 4)**

To confirm the Minutes of the Meeting held on 27th March 2023 (copy attached).

2. **AUDIT RESULTS REPORT 2019/20 – (Pages 5 - 60)**

To receive the Executive Head of Finance Report No. FIN2310 on the Audit Results Report 2019/20 (copy attached), which summarises the findings of the 2019/20 audit of Rushmoor Borough Council.

3. **INTERNAL AUDIT 2022/23 - YEAR END AUDIT UPDATE – (Pages 61 - 68)**

To consider the Internal Audit Manager's Report No. AUD2304 (copy attached) which sets out the Internal Audit coverage, findings and performance for 2022/23.

4. **INTERNAL AUDIT - AUDIT OPINION – (Pages 69 - 84)**

To consider the Internal Audit Manager's Report No. AUD2305 (copy attached), which presents the Audit Manager's overall assurance opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control (GRC) environment.

5. **INTERNAL AUDIT - ANNUAL GOVERNANCE STATEMENT – (Pages 85 - 132)**

To consider the Internal Audit Manager's Report No. AUD2306 (copy attached), which sets out the Annual Governance Statement 2022/23 for review and approval.

6. **CORPORATE POLICY AND GUIDANCE ON SURVEILLANCE AND THE USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000 – (Pages 133 - 178)**

To consider the Corporate Manager – Legal Report No. LEG2303 (copy attached), which sets out the corporate Surveillance and RIPA policy and proposed amendments.

7. **APPOINTMENT OF INDEPENDENT PERSON (STANDARDS) - UPDATE –**

The Corporate Manager - Democracy to report on the appointment process for an Independent Person (Standards).

8. **APPOINTMENTS TO OUTSIDE BODIES, LICENSING SUB-COMMITTEES AND CONSTITUTION WORKING GROUP – (Pages 179 - 196)**

(1) **Outside Bodies**

To consider the appointment of representatives to outside bodies. A list of those bodies on which the Council is represented, which includes details of proposed nominations for 2023/24 is attached.

(2) **Appointments and Appeals Panels –**

To confirm that the Corporate Manager - Democracy is authorised to make appointments to Appointments and Appeals Panels in accordance with the membership criteria set out in the Officer Employment Procedure Rules in the Constitution.

(3) **Licensing Sub-Committee**

To confirm the Members of the Licensing Sub-Committee for the 2023/24 Municipal Year on the basis of five Members (Proposed: 3 Con: 2 representatives of other groups).

(4) **Licensing Sub-Committee (Alcohol and Entertainments)**

To confirm that the Corporate Manager - Democracy is authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee in accordance with the procedure agreed by the Committee at its meeting on 21st May, 2009 and detailed in the Licensing Sub-Committee (Alcohol and Entertainments) Hearings Protocol and Procedure.

(5) **Licensing Sub-Committee (Taxis)**

To confirm that the Corporate Manager – Democracy is authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee in accordance with the procedure agreed by the Committee at its meeting on 27th June 2021 and detailed in the Licensing Sub-Committee (Taxis) Hearings Protocol and Procedure.

(6) **Constitution Working Group –**

To appoint a cross-party Constitution Working Group for 2023/24. The appointments to be made on the basis of six Members including two Cabinet Members, the Chairman of the Corporate Governance, Audit and Standards Committee, and representatives of other groups.

9. **ORGANISATIONAL TREE –**

## **PUBLIC PARTICIPATION AT MEETINGS**

Members of the public may ask to speak at the meeting on any of the items on the agenda by writing to the Committee Administrator at the Council Offices, Farnborough by 5.00 pm two working days prior to the meeting.

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# CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Monday, 27th March, 2023 at the Council Offices, Farnborough at 7.00 pm.

## **Voting Members**

Cllr P.J. Cullum (Chairman)  
Cllr Jessica Auton (Vice-Chairman)

Cllr A. Adeola  
Cllr M.S. Choudhary  
Cllr K. Dibble  
Cllr Christine Guinness  
Cllr Sarah Spall  
Cllr Nem Thapa  
Cllr S. Trussler  
Cllr Jacqui Vosper

Cllr Mara Makunura attended the meeting as a Standing Deputy.

## **Non-Voting Member**

Mr T. Davies – Independent Member (Audit) (Attended remotely via Teams)

Apologies for absence were submitted on behalf of Cllr A.H. Gani.

## **35. MINUTES**

The minutes of the meeting held on 30th January 2023 were agreed and signed as a correct record of the proceedings.

## **36. ANNUAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT OPINION - UPDATE NO. 5**

The Chairman welcomed Maria Grindley from the Council's external auditor, EY, who joined the meeting remotely via Microsoft Teams.

The Interim Executive Head of Finance, Mr Simon Little, advised the Committee that there had been a meeting with EY that morning and he was pleased to report that the Council had now been given a true, fair and clean audit for 2019/20. In front of the Committee, the Chairman and the Interim Executive Head of Finance then signed a Letter of Representation which would be sent to the external auditors that evening, which would enable EY to issue its statement the following day.

Mr Little advised the Committee that discussions would be held with EY to progress the next stages for the 2020/21 and 2021/22 audits. The Committee noted the improvements that had been made to systems and processes which would put the Council in a better position to progress audit matters more efficiently going forward. It was hoped that the 2020/21 audit would be completed by March 2024 and the Committee would receive regular updates on progress.

**RESOLVED:** That the update be noted.

### 37. **RISK MANAGEMENT PROCESS 2022/23**

The Committee received the Assistant Chief Executive Report No. ACE2303, which provided an update on the ongoing development and maintenance of the Council's risk management process over 2022/23.

It was noted that the Council had continued to embed risk management within the organisation and streamline the processes in place. The Council's risk registers had been moved onto a MS Lists based system which had improved efficiency and allowed the risk registers to be easily interrogated in a live format at any time. The Risk Management Policy and arrangements continued to be reviewed and developed in order to remain effective and to provide continual improvement. The last revision had been published in November 2021 and was set out in the Report. An updated draft was expected to be published in Quarter 1 of the 2023/24 municipal year.

The Committee also noted that reports on risk had been presented to the Corporate Management Team on a minimum quarterly basis and also to the Cabinet alongside quarterly performance reports. In addition, risk was discussed with greater frequency outside these meetings, with regular discussions and risk register reviews taking place across projects and programmes.

An internal audit of risk management had concluded in February 2022 and, of the six actions identified, the final outstanding item would be addressed as soon as possible in 2023/24. This would be to develop an effective way to establish a high level risk appetite policy (or policies), in addition to risk appetite being determined on a risk by risk basis.

**RESOLVED:** That the Assistant Chief Executive Report No. ACE2303 be noted.

### 38. **PAY POLICY STATEMENT AND GENDER PAY GAP REPORT**

The Committee considered the Executive Director Report No. ED2301, which sought approval for a Pay Policy Statement for 2023/24, as set out in the Report. The Pay Policy Statement set out the framework within which pay was determined within the Council and provided an analysis comparing the remuneration of the Chief Executive with other employees of the Authority. The Report also set out the calculations of the gender pay gap, which the Council was required to publish annually under the Equality Act 2010 (Specific Duties and Public Authorities Regulations 2017).

The Committee noted that the comparisons looked at the ratio between the Chief Executive and the full-time equivalent salary for a permanent member of staff employed in the lowest grade within the structure. The ratio for 2023/24 was 6.1:1. The second ratio included within the analysis looked at the relationship between the median remuneration of all staff compared to the Chief Executive. It was noted that the ratio for 2023/24 was 3.5:1 which represented a slight change to the previous year when it had been 3.7:1.

The Committee noted that mean gender pay gap equated to 13.8% with the female average salary being lower than the male average salary. The gap had increased from 11.7% in 2022/23. The median gender pay gap equated to 10.9% with the female median rate being lower than the male median rate. The gap had increased slightly from 11.3% in the previous year.

The Committee

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to the Pay Policy Statement 2023/24, as set out in the Executive Director Report No. ED2301; and
- (ii) **RESOLVED** that the Gender Pay Gap report, as set out in the Report, be noted.

#### 39. **INTERNAL AUDIT - UPDATE**

The Committee received the Audit Manager Report No. AUD2303 which provided Members with an overview of the work completed since the previous update in January 2023, a progress update on the 2022/23 Audit Plan and an update on the outstanding audit issues, highlighting any significant risk exposures or control issues.

**RESOLVED:** That the Audit Manager Report No. AUD2303 be noted.

#### 40. **INTERNAL AUDIT - AUDIT PLAN**

The Committee considered the Audit Manager Report No. AUD2302 which set out the Audit Plan for 2023/24 for approval.

The Report advised the Committee of the methodology for compiling audit coverage, including: the Audit Risk Universe; Audit Risk Criteria; input from Heads of Service; developing the Audit Plan; and, communication and monitoring of the Plan.

It was noted that the resources and service deliverables within the Internal Audit Service had been reviewed along with the Investigations Service. As a result, the two services would be combined to provide an Audit and Investigation Service. Whilst providing a saving to the Council, it was noted that the level of deliverables would not be reduced. It was felt that the combined role would provide more resilience for the deliverability of the Audit Plan, whilst still taking measures to protect the public purse. The level of resources required to deliver the Audit Plan and the Council's current investigation workload had been determined. Within the 2023/24 financial year it was noted that there would be a period where officers would not be

in post. However, arrangements would be put in place for contractors to cover the work required during this period until permanent resources were in place.

The Report set out the first six months' work of the 2023/24 Audit Plan, which had been selected from the higher risk areas. The list of audits was subject to review due to the changing needs of the organisation or resource availability. An update would be provided at the September Committee meeting.

During discussion, the Council's Independent Member (Audit), Mr. T. Davies, commended the Audit Plan to the Committee.

**RESOLVED:** That approval be given to the Audit Manager Report No. AUD2302.

The meeting closed at 8.07 pm.

CLLR P.J. CULLUM (CHAIRMAN)

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**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE**

**EXECUTIVE HEAD OF FINANCE  
REPORT NO. FIN2310**

**1 JUNE 2023**

**KEY DECISION? YES/NO**

## **AUDIT RESULTS REPORT 2019/20**

### **SUMMARY AND RECOMMENDATIONS:**

#### **SUMMARY:**

When completing an audit of a set of accounts the External Auditor is required to issue an Audit Result Report, which provides the context in which their audit opinion has been given along highlighting areas that the Council should address.

#### **RECOMMENDATION:**

Members are requested to note:

- (i) The Audit Opinion that the Councils Accounts give:
  - give a true and fair view of the financial position of Rushmoor Borough Council as at 31 March 2020 and of its expenditure and income for the year then ended; and
  - have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
- (ii) The findings made by EY during their audit of the 2019/20 Accounts.
- (iii) Note the other issues highlighted and the actions taken by officers to address these issues, in particular:
  - Provision of property information.
  - Capacity of the finance department.
  - Declarations of interest.

## **1 REPORT**

1.1 The details of the audit are contained within the attached report to the Committee.

1.2 There are three areas specifically highlighted in Section 7 of the report which led to actions by officers and/or Members to address.

### **1.2.1 Provision of property information:**

1.2.2 EY reported on the critical delays in the provision of property information to support the material PPE and IP valuations in the Council's Balance

Sheet. This included a lack of management challenge of key assumptions and we would highly recommend that management ensure that this challenge is factored into 2020/21 and future years.

1.2.3 Rushmoor Borough Council have addressed this issue by implementing a Property Management System that records all documentation on each property. Further the Fixed Asset Module of the Financial System, which will record the accounting valuations of properties is due to be implemented during 2023.

**1.2.4 Capacity of the finance department:**

1.2.5 EY reported that their audit team has been working on the fieldwork for the audit of the Council's 2019/20 financial statements since 28 September 2020. Whilst there were some delays due to officer work pressures e.g. the audit was also delayed in January 2021 and 2022 as officers needed to prioritise the production of the 2021/22 accounts, some of the information promised to us has failed on a number of occasions to meet agreed timelines.

1.2.6 The Finance Team has been reorganised and a detailed plan for future accounts preparation and subsequent audits has been implemented. However, that said, it should be noted that the current backlog in audits has the potential of causing pinch points as the team will be involved into ensuring that each of the three years to be audited (2020/21, 2021/22 and 2022/23) are kept up to date in light of issues emerging during the audit of firstly 2020/21. The team will work closely with EY to ensure that they will prioritise answering audit queries but resource will be required to ensure current work is kept up to date.

**1.2.7 Declarations of interest:**

1.2.8 EY noted that the Declaration of Interest Form was not returned by one of the members and could not conclude on that.

1.2.9 Members must be mindful that there have a duty and responsibility to make a declaration of any interests they have, including a declaration that they have none if that is the case.

**CONTACT DETAILS:**

Report Author and Head of Service:  
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**Rushmoor Borough Council**

**Audit Results Report  
- Final**

Year ended 31 March 2020

27 March 2023



Building a better  
working world

27 March 2023



Dear Corporate Governance, Audit and Standards Committee Members

We are pleased to attach our audit results report. This report summarises our findings in relation to the audit of Rushmoor Borough Council for 2019/20.

We have completed our audit of Rushmoor Borough Council for the year ended 31 March 2020. As set out in section 1, some issues have arisen as a result of Covid-19 which we have taken account of in our audit. The Council met its accounts publication deadline of 31<sup>st</sup> August 2020 for the draft financial statements but has struggled with responding to audit requests due to timing and other pressures on key staff. The audit is now complete and this report details the outcomes of the 2019/20 audit.

There have been significant delays with our audit for 2019/20. We issued our opinion on 27 March 2023. We have included our audit opinion in Section 3.

We have also set out a timeline for the 2020/21 audit for the Council and asked that resources are made available to respond to the audit so that we can get the Council back on track.

This report is intended solely for the use of the Corporate Governance, Audit and Standards Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

Yours faithfully

Maria Grindley

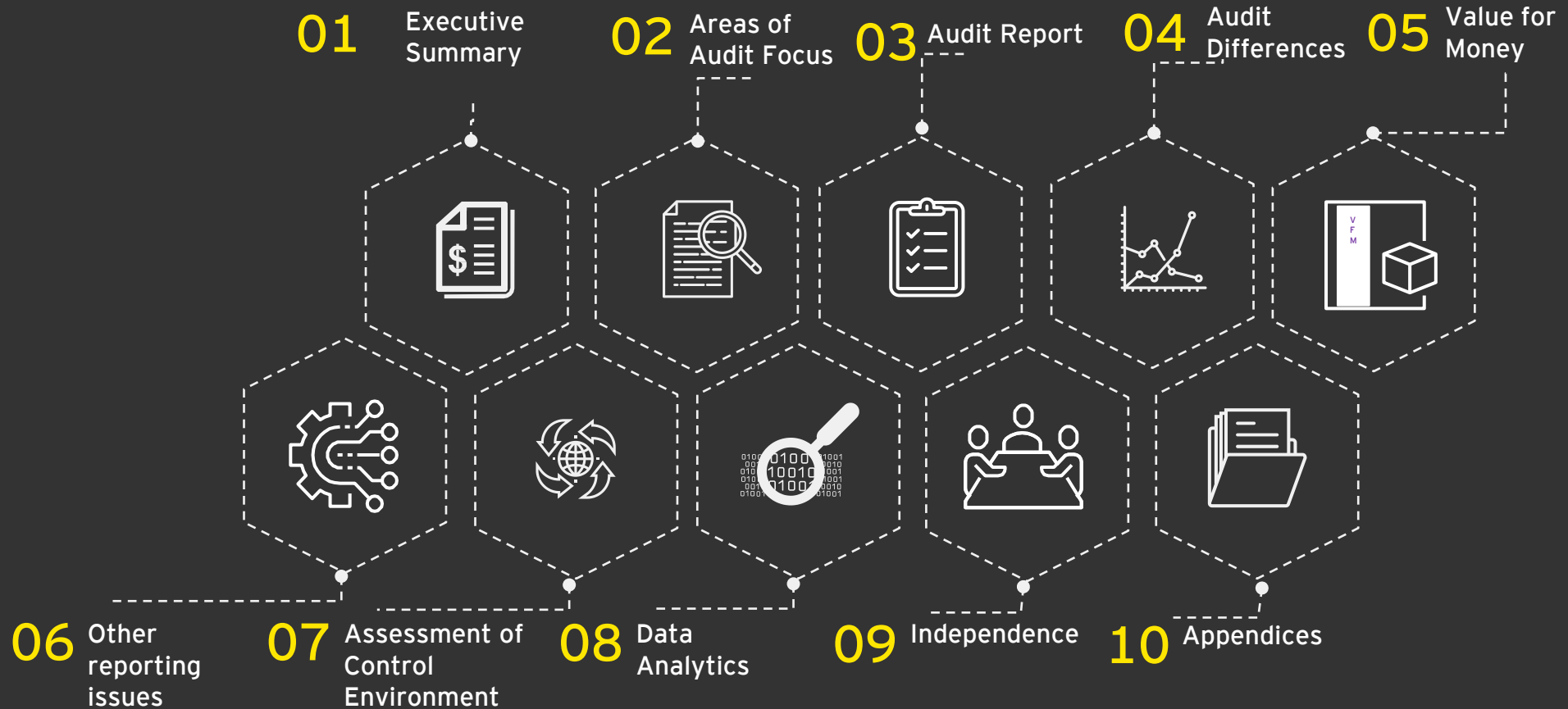
Partner

For and on behalf of Ernst & Young LLP

Encl



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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psa.co.uk](http://www.psa.co.uk)). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure** - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



# 01 Executive Summary

# Executive Summary

## Scope and risk update

In our audit planning report presented at the 23 November 2020 Licensing, Audit and General Purposes (LAGP) Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the 2019/20 financial statements. We carried out our audit in accordance with this plan, and highlight the following issues where COVID-19 has had an impact on our audit.

### Changes to reporting timescales

As a result of COVID-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, came into force on 30 April 2020. This announced a change to the publication date for final accounts from 31 July to 30 November 2020 for all relevant authorities. The 30 November 2020 was not a statutory deadline for the completion of the audit of the Council's 2019/20 financial statements.

### Changes to our risk assessment as a result of Covid-19

- ▶ **Valuation of Investment Properties and Property Plant and Equipment** - The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Authority's external valuer. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to the valuation and disclosures regarding those Property, Plant & Equipment and Investment Properties, which are held at Fair Value.
- ▶ **Disclosures on Going Concern** - Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Council would not appropriately disclose the key factors relating to going concern, underpinned by management's assessment with particular reference to Covid-19 and the Local Authority's actual year end financial position and performance.
- ▶ **Adoption of IFRS16** - The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2024. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. We therefore no longer consider this to be an area of audit focus for 2019/20.

**Changes in materiality.** We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of gross expenditure on provision of services, we have updated our overall materiality assessment to £1.512 million. The basis of our assessment has remained consistent with prior years at 2% of gross expenditure on provision of services.

- ▶ This resulted in updated performance materiality of £1.135 million, and an updated threshold for reporting misstatements of £75.6k.

**Information Produced by the Entity (IPE):** We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agree IPE to scanned documents or other system screenshots.



# Executive Summary

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## Scope update (continued)

### **Additional EY consultation requirements concerning the impact on auditor reports because of Covid-19.**

Due to the impact of Covid-19, EY had introduced a consultation process for the audit report, to ensure the sufficiency of the audit work undertaken and the consistency of that work with the form of the final report.

The changes to audit risks, audit approach and auditor reporting requirements changed the level of work we needed to perform. Our work is now complete and we are now in a position to issue our audit opinion.

## Status of the audit

We have completed our audit of Rushmoor Borough Council's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our audit planning report.

We issued an unqualified opinion on the Authority's financial statements in the form which appears at Section 3.



# Executive Summary

## Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of Rushmoor Borough Council's financial statements. This initial report sets out our observations and conclusions, to date, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- ▶ There are no other considerations or matters that could have an impact on these issues
- ▶ You agree with the resolution of the issue
- ▶ There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Committee.

## Audit differences

If we identified any audit differences, we either ask for them to be corrected or a rationale given as to why they are not corrected, which was approved by the Committee and included in the Letter of Representation. If applicable, we set out the aggregated impact of unadjusted audit differences and whether we agree with management's assessment that the impact is not material.

We have detailed a number of adjusted and unadjusted audit differences at Section 4.



# Executive Summary

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## Control observations

We have adopted a fully substantive approach, so we have not tested the operation of controls. However during the audit we identified a number of areas where we noted internal control weaknesses. We have detailed these issues in Section 7 and would encourage the Committee to seek assurances from officers that the matters noted have been fully considered and that appropriate reassurances obtained in respect of these matters.

## Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Planning Report we identified one significant risk around our Value for Money Conclusion, namely the

- Effectiveness of the Council's Governance and Risk Management Framework

Our findings, discussed in Section 5, showed that some improvements have been made and we have no matters arising in our VFM Conclusion for the 2019/20 financial year.

## Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority.

- We have no other matters to report.

We are required to perform the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts (WGA) submission. However, as the authority was below the NAO threshold, this would usually consist simply of a return to the NAO.

- Due to the delays experienced on the audit we have been unable to complete the procedures required as the WGA cycle for the period was closed.

## Independence

Please refer to Section 10 for our update on Independence.





## 02 Areas of Audit Focus



# Areas of Audit Focus

## Significant risk

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### Misstatements due to fraud or error

#### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

We have not identified a heightened risk of management override overall, but we have identified a specific area where management override might occur, in terms of the potential incorrect capitalisation of revenue spending. Our specific response to this risk is set out in the next slide.

#### What judgements are we focused on?

We have considered the risk of management override and the areas of the financial statements that may be most susceptible to this risk.

#### What did we do?

- ▶ Identified fraud risks during the planning stages.
- ▶ Asked management about risks of fraud and the controls put in place to address those risks.
- ▶ Understood the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Determined an appropriate strategy to address those identified risks of fraud.
- ▶ Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements

#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.

Our testing of journal entries did not identify any errors nor highlight any fraud issues.





# Areas of Audit Focus

## Significant risk

### Incorrect capitalisation of revenue expenditure

#### What is the risk?

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term projected financial position.

A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure. The Council has a significant fixed asset base and a material capital programme of £50.583 million in 19/20, although £4.188m of the underspend has been reprofiled into 2020/21.

#### What judgements are we focused on?

How management decides on appropriate capitalisation of revenue expenditure.

How the capital programme complies with proper capital strategy principles.

#### What did we do?

- ▶ Sample testing additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.
- ▶ Seek to identify and understand the basis for any significant journals transferring expenditure from non-capital codes to PPE additions or from revenue to capital codes on the general ledger at the end of the year.

#### What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override in relation to the incorrect capitalisation of revenue expenditure.

We have not identified any instances of inappropriate judgements being applied. We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.



## Areas of Audit Focus

### Significant risk

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#### **Valuation of Land & buildings - Property, Plant and Equipment and Investment Properties.**

##### **What is the risk?**

The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represents a significant balance, at £98.966 million and £106.605 million respectively, in the Council's accounts as at 31 March 2020 and are subject to valuation changes, impairment reviews and depreciation charges.

Covid-19 is likely to influence the valuation of the Council's investment properties. The valuation of property can be impacted in an abnormal market where there is a lack of comparative market transactions, where income is suddenly and dramatically reduced, and where the viability of tenants may be uncertain.

##### **What judgements are we focused on?**

Management is required to make material judgements on inputs and apply estimation techniques to calculate the year-end balances in the balance sheet.

##### **What did we do?**

We:

- ▶ Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre) and challenge the key assumptions used by the valuers;
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE and annually for Investment Property. We will also consider if there are any specific changes to assets that have occurred and whether these have been communicated to the valuers;
- ▶ Reviewed assets not subject to valuation in 2019/20 to confirm that the remaining asset base is not materially misstated at 31 March 2020;
- ▶ Considered changes to useful economic lives as a result of the most recent valuation; and
- ▶ Tested to confirm that accounting entries have been correctly processed in the financial statements.

In considering the above, we assessed the Council's approach to recognise any impact on valuations at 31 March 2020 arising from COVID-19. We asked our EY Real Estate specialists to assist us in this work.

# Significant risk

### What are our conclusions?

For our 2019/20 audit, our EY Real Estate specialists (EYRE) tested a sample of assets to review the Council's Valuer's assessment of the robustness of valuations on a number of the Council's PPE and IP assets, We have received the majority of the supporting valuation evidence we requested from the Council's property department, to conclude on the fair value of the PPE and IP account balance in the Council's Balance Sheet.

During the 2018/19 audit we identified gaps in the evidence provided against what was requested and this lack of supporting evidence, again caused us significant issues in the delivery of our 2019/20 audit opinion. We have highlighted this to management and also to this Committee and have raised a recommendation at Section 7 regards the maintenance of proper books and records supporting all assets within the Property, Plant and Equipment and also the Investment Property portfolio.

Below we detail some of the key findings from our review of the asset portfolio to date.

#### o Land & Buildings (L&B) & Investment Properties (IP):

- Ski Centre, Aldershot; Fair Value £647,000 - We held discussions with management and the valuer on this asset and are not comfortable with the approach being adopted to value the ski slopes nor have we, or the authority, been able to provide any benchmark data or original build cost data to support the adopted rate. We are therefore unable to conclude on this asset and have included as an unadjusted misstatement at Section 4. Our recalculation of the site area based on the site plan provided by management suggests that the site area adopted by the valuer is incorrect in addition to the land value being too low.
- Our experts sampled a total of 7 other assets excluding the ski centre referenced above. The cumulative value of the Gross Book Value (GBV) of the 7 assets as valued by the external valuer of the Council was £44.86 million. Using the point in range estimate developed by our internal valuers the 7 assets in total were within an acceptable range across the total with some slight variations on a small number of assets individually. We followed up on a number of points of clarification in relation to the assets sampled by our internal specialists and concluded that the explanations were reasonable.
- We challenged the assumptions supporting asset valuations and specifically raised concerns to both management and those charged with governance in respect of the assumptions around obsolescence. This focused on the useful life and depreciation factor being applied on a number of assets. This had the effect of materially overstating a number of key assets: Aldershoot Pool; Aldershot Lido; the Gymnastics Academy and Farnborough Leisure Centre. Revised valuations were supplied in respect of these assets and the revised valuations agreed as being materially reasonable. We detail the value of the adjustments at Section 4; and
- Updated asset valuations were provided and agreed on a number of investment properties. These adjustments were made and agreed and are detailed at Section 4.

## Areas of Audit Focus

### Other areas of audit focus

In our audit planning report we identified other areas of the audit, not classified as significant risks, but still important when considering the risks of material misstatement to the financial statements and disclosures.

#### What is the risk/area of focus?

##### Pension Liability Valuation

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2019 this totalled £48.6 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the County Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

In the prior year the 'McCloud' judgement impacted the estimate and resulted in an amendment of the net pension liability. We anticipate this will again be a key assumption in estimating the pension liability. We would expect the Authority's actuary to be basing their assumptions taking into account the Authority's specific membership profile and how it has been impacted by the judgement. We also note that there may be further developments in this area, potentially again coming after the balance sheet date.

#### What did we do?

We:

- ▶ Liaised with the auditors of Hampshire County Council Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Rushmoor Borough Council. We noted no material issues with the information supplied by the auditors of Hampshire County Council Pension Fund;
- ▶ Assessed the work of the Pension Fund actuary (Aon Hewitt) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

There are two unadjusted audit differences

- Pension liability difference of £480,000 arising from reconciliation of planned assets used by the actuaries with the audited assets of the pension fund as at 31/03/2020
- Pension liability arising from Goodwin of £292,000. The Council have not adjusted for this judgmental difference based on the value and also the uncertainty in respect of future liabilities

## Areas of Audit Focus

### Other areas of audit focus

In our audit planning report we identified other areas of the audit, not classified as significant risks, but still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk/area of focus?	What did we do?
<p><b><u>Going Concern</u></b></p> <p>The Council prepares its accounts on the assumption that it will continue as a going concern. The current and future uncertainty over government funding and loss of income as a result of Covid-19 increases the need for the Council to revisit its financial planning and undertake a detailed assessment to support its going concern assertion. From an audit perspective, the auditor's report going concern concept is a 12-month outlook from the audit opinion date, rather than the balance sheet date. So, for the 2019/20 statements, we will need to see evidence of an assessment up to and including July 2022.</p> <p>We focus on management's assessment of the going concern assumption in preparing the Council's financial statements. We also review management's cash flow forecasts to determine whether expected forecasting appeared reasonable and whether it is sufficient to enable the Council to continue its operations.</p> <p>We also discussed with management further disclosures required in the 2019/20 statements on going concern and in particular, material events and uncertainties up to and including the end of March 2023.</p>	<ul style="list-style-type: none"><li>▶ We reviewed the Committee's assessment of the appropriateness of the going concern assumption;</li><li>▶ We reviewed and challenged the level and form of disclosure of this assessment made in the financial statements, given the Covid-19 pandemic; and</li><li>▶ We reviewed the Council's cash flow forecasts and financial plans for the foreseeable future to ensure that these are sufficiently robust and supported by adequate evidence, and that the cash flow forecasts demonstrate that the Council has sufficient liquidity to continue its operations up to and including 31 March 2023.</li><li>▶ We concluded that management's updated assessment and disclosures reflected the financial position of the Council and that it was appropriate for the Council to conclude that they were a Going Concern.</li></ul>



## 03 Draft Audit Report



# Draft Audit Report

## Draft audit report

**Our opinion on the financial statements - Subject to Satisfactory Conclusion of Outstanding Items detailed within this Report**

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUSHMOOR BOROUGH COUNCIL

#### Opinion

We have audited the financial statements of Rushmoor Borough Council for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement,
- Collection Fund,
- The related notes 1 to 38 of the Authority's Financial Statements,
- Collection Fund, and
- Notes 1 to 3 of the Collection Fund.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial position of Rushmoor Borough Council as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent Rushmoor Borough Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Chief Finance Officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.





# Draft Audit Report

Page 24

## Our opinion on the financial statements - Subject to Satisfactory Conclusion of Outstanding Items detailed within this Report

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

#### *Arrangements to secure economy, efficiency and effectiveness in the use of resources*

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in April 2020, we are satisfied that, in all significant respects, Rushmoor Borough Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

#### Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

### Responsibility of the Chief Finance Officer

As explained more fully in the Statement of Responsibilities set out on page 12, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.





# Draft Audit Report

## Our opinion on the financial statements - Subject to Satisfactory Conclusion of Outstanding Items detailed within this Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### ***Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources***

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether Rushmoor Borough Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Rushmoor Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Rushmoor Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### **Certificate**

We certify that we have completed the audit of the accounts of Rushmoor Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

### **Use of our report**

This report is made solely to the members of Rushmoor Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Rushmoor Borough Council members as a body, for our audit work, for this report, or for the opinions we have formed.

*Maria Grindley (Key Audit Partner)*

*Ernst & Young LLP (Local Auditor)*

*Reading*

*27 March 2023*

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# 04 Audit Differences





## Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

### Summary of audit differences

If we identified any audit differences, we either ask for them to be corrected or a rationale given as to why they are not corrected, which is approved by the Audit Committee and included in the Letter of Representation. If applicable, we set out the aggregated impact of unadjusted audit differences and whether we agree with management’s assessment that the impact is not material. Below we identify the agreed audit differences at the conclusion of the audit.

#### Adjusted audit differences:

- *Notes 13 - Property, Plant and Equipment (PPE): Revised valuations were provided as a result of the audit which in turn decreased the net value of PPE by £6.095 m from the value presented in the draft accounts of £98.966 million. The final agreed value for PPE was £92.871 million. These changes reflected updated values which reflected more appropriate obsolescence factors. One asset specifically impacted was Farnborough Leisure Centre where the value decreased from an initial valuation of £16.146 million to a final agreed value of £8.318 million.*
- *Note 14 - Investment Properties: Revised valuations were provided as a result of the audit which in turn increased the value of Investment Properties by £3,140 million from the value presented in the draft accounts of £106.605 million. The final agreed value for Investment Properties was £109.745 million.*
- *Note 17 - Financial Assets: Loss Allowance value in the draft financial statements was incorrect. The value should be £676 k and not the £221 k as per the draft financial statements. The amount was correctly updated in the revised set of accounts.*
- *Note 17 - Financial Liabilities Analysis: Value for creditors increased from £5.483 million as per draft accounts to £7.411 million as per final due to the incorrect inclusion of Housing Benefit subsidy balances.*
- *Note 38 - Financial Instruments: Analysis of Financial Liabilities with 1 year analysis was updated from £64.403 million to £67.775 million.*
- *Income: We noted that the quarter 4 accruals for Frimley and Ashbourne House were not correctly reversed when the actuals had been posted. The value of this adjustment was £441,346. We did not identify any other similar errors.*

#### Disclosures:

- *We also identified a number of disclosure and presentation amendments which management have agreed to amend including the audit fee note at Note 32. The 2018/19 audit fee in the draft financial statements was incorrect and needed to be updated to reflect the additional fee of £56,000 which was agreed at the conclusion of the 2018/19 audit. The comparative figure for the external fee for 2018/19 increased from £44,000 as per the draft accounts to £100,000 as per the final set of accounts.*



# Audit Differences

Page 20

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

## Summary of unadjusted audit differences

If we identified any audit differences, we either ask for them to be corrected or a rationale given as to why they are not corrected, which is approved by the Audit Committee and included in the Letter of Representation. If applicable, we set out the aggregated impact of unadjusted audit differences and whether we agree with management’s assessment that the impact is not material.

### Unadjusted Judgmental audit differences:

We have identified the following audit differences in the draft financial statements which management has chosen not to adjust.

- We have identified the following audit differences in the draft financial statements which management has chosen not to adjust.
  - **Pension liability differences:**
    - This difference of £480,000 has arisen from the reconciliation between the value of planned assets used by the actuaries compared to the audited assets of the pension fund as at 31/03/2020.
    - There has been an estimated increase in costs in the pension liability arising from the Goodwin case. The estimated value is £292,000 as at 31 March 2020.
  - **Asset valuation differences:**
    - Consideration of the ski centre asset and the uncertainty on the valuation of £647,000. This is due to the unique nature of this asset and the lack of comparable data within the sector. Given this the asset is considered highly specialised and the difference isolated.

### Unadjusted Factual audit differences:

We also identified the following audit differences in the disclosures which management has chosen not to adjust.

#### **Related Party Transactions:**

The correct financial assistance total to be included in the note is £1,552,815. It has been understated by £243k.

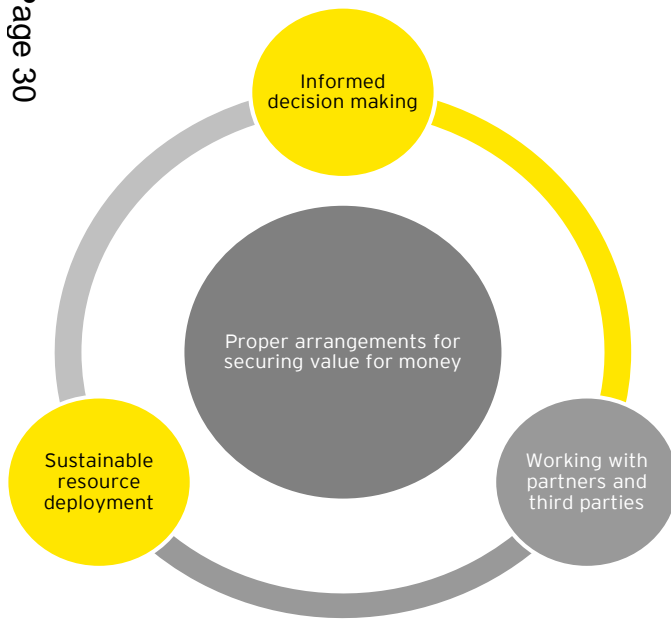
The CIPFA Code states that all related parties should be disclosed regardless of the amount however RBC applied a materiality threshold of £30k which is consistent with 1819.





**05**

**Value for Money**



## Background

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

## Impact of covid-19 on our Value for Money assessment

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

## Overall conclusion

Our value for money risk assessment, at the planning stage of the audit, considered both the potential financial impact of issues facing the Council, and also the likelihood that the issues will be of interest to local taxpayers, the Government and other stakeholders. At the time of planning, we identified one significant risk relevant to our value for money conclusion, which was the:

- Effectiveness of the Council's Governance and Risk Management Framework



## Value for Money Risks

### What is the significant value for money risk?

### What arrangements does the risk affect?

### What did we do?

#### Effectiveness of the Council's Governance and Risk Management Framework

During our 2018/19 audit, we identified issues with Council's formal risk management framework, which resulted in further examination of the arrangements in place. As a result, we issued an "except for" qualified value for money conclusion in relation to formal risk management arrangements.

Our 2018/19 audit opinion documented that *"The Council has not revised its risk management framework during 2018/19, nor has it documented how it has effectively managed its key strategic risks during 2018/19. The Corporate Risk Register had not been updated since January 2018. We noted that the Council has failed to take account of our findings in last year's Audit Results Report on how they could further improve Risk Management and new arrangements put in place in 2017/18 have since lapsed due to resource constraints. The Council is undergoing significant internal transformation and was involved in extensive regeneration partnerships in 2018/19. However, there is no centralised formal documented process which highlights the gross risks, the controls and mitigating actions to give an overview of the risks the Council faces and holds officers to account for those risks. We note that officers consider risk every day, however there is no framework in place to demonstrate that or show that the Officers and Members are strategically managing risk. The issue above is evidence of weakness in informed decision making as result of not having proper arrangements in place for managing risks effectively and maintaining a sound system of internal control."*

We reviewed whether risk management was better embedded, during 2019/20, with corporate risks being aligned to the delivery of the Council's strategic objectives in the Council Delivery Plan and whether the management of these risks was reported to members appropriately. Adequate risk management is required for members and officers to take informed decisions. We reviewed the effectiveness of the Council's Risk Management Framework and how this may be further improved.

Take informed decisions

Our approach focused on:

- ▶ reviewing the adequacy of the Council's risk management arrangements;
- ▶ reviewing the disclosures made in the Council's 2019/20 Annual Governance Statement on the effectiveness of the Council's Governance and Risk Management Framework.



### Effectiveness of the Council's Governance and Risk Management Framework

#### Adequacy of the Council's risk management arrangements

The Council's Risk Management arrangements are adequate. The Council's Corporate Leadership Team and its Corporate Risk Management Group both review the Council's Corporate Risk Register which has "Additional Mitigation Planned - including Timelines/Deadlines" and a residual risk score for each risk. Whilst there has been improvements in the Council's Governance and Risk Management Framework, during 2019/20, we suggest that risk management can be further embedded in the day to day business and reporting of the Council;

We suggest the Council considers the following suggestions:

- The risks to the delivery of the Council's strategic objectives, in the Council's Business Plan 2020 to 2023, should be recorded on the Corporate Risk Register on a strategic objective by objective basis, rather than on a thematic basis; for example, the following high corporate risks such as Equalities - Breach of Statutory Duties, Increased Focus on Recycling improvements from Central Government, Retail Sector general downturn, Restrictions on PWLB borrowing. These themes should be incorporated into the Council's business planning process.
- The Corporate Risk Register and underpinning service risk registers should also be aligned to these strategic objectives, which will allow for a golden thread enabling the Council's risk management issues and resulting actions to be integrated into the Council's Performance Management Framework. This will give the Council a holistic view of the effectiveness of service delivery and better reflect a more mature risk model, such as the Enterprise Risk Management approach.
- The Corporate Governance, Audit and Standards Committee should consider providing overall assurance to the Cabinet over the effectiveness of the Risk Management Framework arrangements. The Committee should receive an annual report on the adequacy of the Council's risk management, before the end of the financial year, as evidence underpinning the disclosures on the effectiveness of risk management in the Council's Annual Governance Statement.

#### Disclosures in the Council's 2019/20 Annual Governance Statement on the effectiveness of the Council's Governance and Risk Management Framework

- The disclosures in the 2019/20 AGS could be improved so that the AGS better describes the effectiveness of the Council's governance arrangements in year, any significant weaknesses and action plans for the resolution of prior year issues and issues going forward. The Council could better disclose how the Council's risk management framework enables the Council to achieve its strategic objectives and addressing areas for improvement.





# 06 Other reporting issues

### Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2019/20.

- We have reviewed the supporting evidence for the financial and non-financial information disclosed in the Narrative Report of the Statement of Accounts 2019/20, to ensure that it is consistent with our knowledge of the. We have no issues to report.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

- No issues to report

### Whole of Government Accounts

In addition to our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

- Due to the delays on the audit we have been unable to complete the return for the NAO as the 2019/20 cycle was already closed.

### Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest").

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014.

- We have no issues to report in this respect.

# Other reporting issues

### Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Any other matters significant to overseeing the financial reporting process;
- Related parties;
- External confirmations;
- Consideration of laws and regulations; and
- Group audits;

**We have nothing to report on the above with the exception of the below:**

**During our audit we identified the following which we will raise recommendations for improvement on - see Section 7:**

- 1. Provision of property information:** We have reported on the critical delays in the provision of property information to support the material PPE and IP valuations in the Council's Balance Sheet. This included a lack of management challenge of key assumptions and we would highly recommend that management ensure that this challenge is factored into 2020/21 and future years
- 2. Capacity of the finance department:** Our audit team has been working on the fieldwork for the audit of the Council's 2019/20 financial statements since 28 September 2020. Whilst there were some delays due to officer work pressures e.g, the audit was also delayed in January 2021 and 2022 as officers needed to prioritise the production of the 2021/22 accounts, some of the information promised to us has failed on a number of occasions to meet agreed timelines
- 3. Declarations of interest:** We note that the Declaration of Interest Form was not returned by one of the members and we will not be able to conclude on that





07

# Assessment of Control Environment

# Assessment of control environment

## Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority have put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have identified the following significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements.

The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2020/21 audit. We will discuss with management and follow up as part of 2021/22 audit.

	High	Moderate	Low	Total
<b>Total recommendations</b>	<b>1</b>	<b>3</b>		<b>4</b>

- Key:**
- A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
  - Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
  - Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.

The matters reported on the next slides are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you.



# Assessment of Control Environment

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## Financial controls

### Books and Records - Property, Plant and Equipment & Investment Properties (High)

The availability of basic asset information was a critical factor in the delay of the signing of the 2018/19 audit opinion. Throughout the audit we have identified numerous instances where the Council has struggled to provide upon request the information supporting an asset valuation on the Balance Sheet.

- Lease documentation provided has often been found to be out of date or not readily available;
- Rent Review Memoranda provided has often been found to be out of date and/or not signed as approved; and
- Land Registry deeds supporting title and ownership has been difficult to obtain and in a number of instances is still outstanding which is delaying the completion of our work.

Discussions with senior officers have re-iterated the importance of the maintenance of proper books and records.

**Recommendation:** The Council should ensure appropriate documentation is retained and accessible in relation to property plant and equipment and investment properties held.

### Policies and procedures (Moderate)

We have found that key policies and procedures appear to be out of date (year in brackets) for example:

- Whistleblowing Policy (June 2016);
- Financial Procedure Rules (December 2006);
- Antifraud and Corruption Policy (June 2016);
- Officer Code of Conduct (February 2015);
- Councillor Code of Conduct (October 2014);
- Contract Stander Orders (April 2015) .

The Council needs to ensure that its corporate polices on key governance topics, including business planning, anti-fraud, information security, equalities and diversity, health and safety and whistle blowing are complete and up to date.

**Recommendation:** The Council should have a central list of policies and procedures with a current date and due date for review. This should be regularly reviewed by senior management and capacity built in so these are kept up to date. Management should consider how the current situation, its impact and planned actions is reflected in the Corporate Risk Register.



# Assessment of Control Environment

## Financial controls

### Officer capacity (Moderate)

The audit has been delayed due to the capacity of officers to respond to audit queries on a timely basis. In some instances this is due to the timing of the audit coinciding with other key finance duties e.g. budget setting, but on the majority of occasions, whilst we have agreed timelines with officers for information in our weekly meetings, the information has not been provided and the delivery has continued to slip. If we are to get the Council back on track with the audit timeline we need to be able to rely on the agreed timelines.

**Recommendation:** The Council should ensure that there is appropriate capacity to respond to audit queries and deliver the required information to agreed timelines.

### Declarations of interest (Moderate)

The Declaration of Interest Form was not returned by one of the members and therefore we were not able to conclude on that.

**Recommendation:** All Declaration of interest forms should be collected for all Members and key Officers and retained to ensure this control is in place and working and provide evidence of this.





# 08 Data Analytics





# Use of Data Analytics in the Audit

## ▶ Data analytics

### Analytics Driven Audit

### Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- ▶ help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- ▶ give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2019/20, our use of these analysers in the authority's audit included testing journal entries, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

### Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.



# Data Analytics

## Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2019/20. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.

### EY Helix - GLASS: Journal Entry Data Insights - 20 Rushmoor Borough Council - P1 to P12 - 31/03/2020

Facts and Figures	Manual v System by Volume	Manual v System by Value																								
Number of Journals Posted: <b>17,013</b>																										
Average Number of Journals Posted per Day: <b>48</b>																										
Average Number of Lines per Journal: <b>6</b>																										
Operational Efficiencies	Top Five Activity Accounts	Bottom Five Activity Accounts																								
Manual Journals Posted at weekend: <b>114</b>	<table border="1"> <tr><td>E. Trade receivables</td><td>16,098</td></tr> <tr><td>VD. Administrative and Other Operating Exp...</td><td>8,895</td></tr> <tr><td>C. Cash and short term deposits</td><td>1,349</td></tr> <tr><td>N. Trade payables</td><td>1,163</td></tr> <tr><td>UA. Revenue_Fees, Charges and Other Service...</td><td>1,095</td></tr> </table>	E. Trade receivables	16,098	VD. Administrative and Other Operating Exp...	8,895	C. Cash and short term deposits	1,349	N. Trade payables	1,163	UA. Revenue_Fees, Charges and Other Service...	1,095	<table border="1"> <tr><td>UA. Revenue</td><td>2</td></tr> <tr><td>VD. Administrative and Other Op...</td><td>2</td></tr> <tr><td>VD. Administrative and Other Op...</td><td>2</td></tr> <tr><td>F. Inventories</td><td>1</td></tr> <tr><td>PG1. Pensions and IAS19</td><td>1</td></tr> <tr><td>UA. Revenue_Excludes from ClE...</td><td>1</td></tr> <tr><td>VD. Administrative and Other Op...</td><td>1</td></tr> </table>	UA. Revenue	2	VD. Administrative and Other Op...	2	VD. Administrative and Other Op...	2	F. Inventories	1	PG1. Pensions and IAS19	1	UA. Revenue_Excludes from ClE...	1	VD. Administrative and Other Op...	1
E. Trade receivables	16,098																									
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VD. Administrative and Other Op...	2																									
VD. Administrative and Other Op...	2																									
F. Inventories	1																									
PG1. Pensions and IAS19	1																									
UA. Revenue_Excludes from ClE...	1																									
VD. Administrative and Other Op...	1																									
Manual journals where gross amount is < £5: <b>14</b>																										
Journal lines with zero value: <b>0</b>	108,554 of 108,554 rows   0 marked   46 columns   Journals																									





# Data Analytics

## Journal Entry Testing

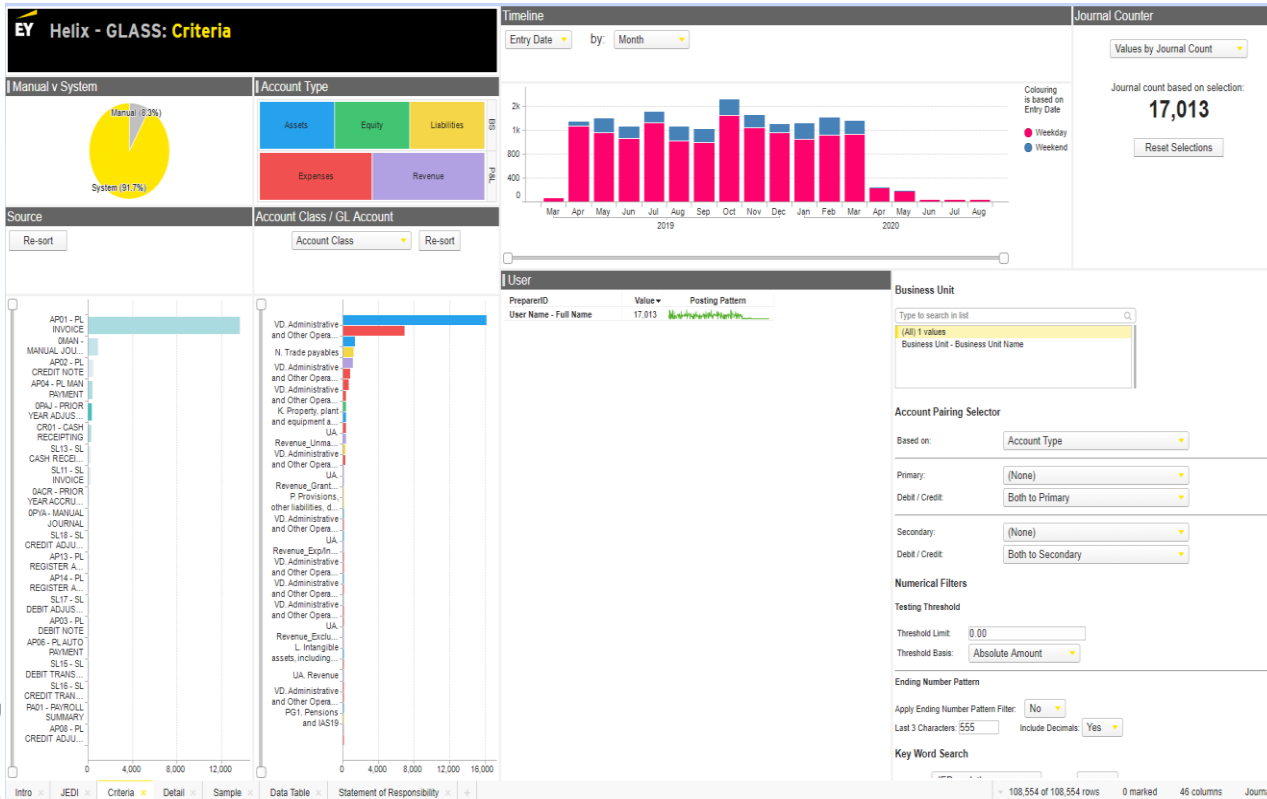
### What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

### What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

### Journal entry data criteria – 31 March 2020



### What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

### What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



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# Independence

## Confirmation

We confirm that there are no changes in our assessment of independence since our confirmation in our audit planning report dated 18 May 2020.

We complied with the FRC Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Committee consider the facts known to you and come to a view.



## Fees

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2020. We confirm that we have not undertaken non-audit work outside the NAO Code requirements. We have complied with Auditor Guidance Note 1 issued by the NAO.

Public Sector Audit Appointments Ltd (PSAA) has published the fee scale for the audit of the 2019/20 accounts of opted-in principal local government and police bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work. A breakdown of our fees is shown below.

	Planned fee 2019/20	Final Fee 2018/19
	£'s	£'s
Current Scale Fee - Code work	38,375	38,375
Increase in scale fee <b>Note 1</b>	28,091	-
Scale fee variation <b>Note 2</b>	TBC	67,327
<b>Total fees (excl. VAT)</b>	<b>TBC</b>	<b>105,702</b>

As reported in our Audit Plan, the agreed fee presented is based on a number assumptions which include the timing of agreed deliverables being met; unqualified financial statement opinion and VfM conclusion; and quality documentation being provided in a timely way and controls being effective. Note 2 sets out issues that have impacted in 2019/20.

For 2019/20, the scale fee has been impacted by a range of factors (see following pages) which result in additional work. These factors were also reported in a national letter issued by EY to Chief Financial Officers and Chair of Audit Committees in February 2020.

**Note 1** - The proposed increase reflects the increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for this Authority as well as the changes and incremental increase in regulatory standards. We have also adjusted the baseline fee to reflect our current assessment of the Authority's readiness for audit, including data analytics, quality of working papers. The proposed increase in the baseline fee is relatively consistent with other councils of a similar size, risk profile and complexity that EY audits.

**Note 2** - The impact of Covid-19 on the audit and VfM conclusion impacted the work that was required to be done. As we have now concluded the audit, we will be in a position to quantify the impact of these additional procedures and where we propose a variation to the Authority's scale fee. We will discuss this with you.

At this stage we can confirm that there will be additional fees for 19/20 due to additional work required because of the following:

- Using EY Real Estate experts to assess the impact of Covid-19 on land and building valuations and the material uncertainty clause in the Authority's valuation report;
- Additional procedures to consider the Authority's going concern assessment;
- Additional work on the significant VFM risk
- Extra time required to complete the audit which took longer than planned due to the availability of supporting evidence and working papers. We experienced significant delays throughout the audit and this will have a significant impact on the additional fee.

We will quantify and discuss additional fees at the conclusion of the audit with the s151 officer. All additional audit fees are also subject to approval by the PSAA.



## Fees (continued)

We do not believe the existing scale fees provide a clear link with both a public sector organisation's risk and complexity.

### Summary of key factors

1. **Status of sector.** Financial reporting and decision making in local government has become increasingly complex, for example from the growth in commercialisation, speculative ventures and investments. This has also brought increasing risk about the financial sustainability / going concern of bodies given the current status of the sector.
  - To address this risk our procedures now entail higher samples sizes of transactions, the need to increase our use of analytics data to test more transactions at a greater level of depth. This requires a continual investment in our data analytics tools and audit technology to enhance audit quality. This also has an impact on local government with the need to also keep pace with technological advancement in data management and processing for audit.
2. **Audit of estimates.** There has been a significant increase in the focus on areas of the financial statements where judgemental estimates are made. This is to address regulatory expectations from FRC reviews on the extent of audit procedures performed in areas such as the valuation of land and buildings and pension assets and liabilities.
  - To address these findings, our required procedures now entail higher samples sizes, increased requirements for corroborative evidence to support the assumptions and use of our internal specialists.
3. **Regulatory environment.** Other pressures come from the changing regulatory landscape and audit market dynamics:
  - Parliamentary select committee reports, the Brydon and Kingman reviews, plus within the public sector the Redmond review and the new NAO Code of Audit practice are all shaping the future of Local Audit. These regulatory pressures all have a focus on audit quality and what is required of external auditors.
  - This means continual investment in our audit quality infrastructure in response to these regulatory reviews, the increasing fines for not meeting the requirements plus changes in auditing and accounting standards. As a firm our compliance costs have now doubled as a proportion of revenue in the last five years. The regulatory lens on Local Audit specifically, is greater. We are three times more likely to be reviewed by a quality regulator than other audits, again increasing our compliance costs of being within this market.



## Fees (continued)

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### Summary of key factors (cont'd)

4. As a result Public sector auditing has become less attractive as a profession, especially due to the compressed timetable, regulatory pressure and greater compliance requirements. This has contributed to higher attrition rates in our profession over the past year and the shortage of specialist public sector audit staff and multidisciplinary teams (for example valuation, pensions, tax and accounting) during the compressed timetables.
  - We need to invest over a five to ten-year cycle to recruit, train and develop a sustainable specialist team of public sector audit staff. We and other firms in the sector face intense competition for the best people, with appropriate public sector skills, as a result of a shrinking resource pool. We need to remunerate our people appropriately to maintain the attractiveness of the profession, provide the highest performing audit teams and protect audit quality.
  - We acknowledge that local authorities are also facing challenges to recruit and retain staff with the necessary financial reporting skills and capabilities. This though also exacerbates the challenge for external audits, as where there are shortages it impacts on the ability to deliver on a timely basis.

### Next steps

- In light of recent communication from PSAA, we have quantified the impact of the above to be able to accurately re-assess what the baseline fee is for the Authority should be in the current environment.







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## Appendices

## Appendix A

# Required communications with the Corporate Governance, Audit and Standards Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you		
Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Corporate Governance, Audit and Standards Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report

# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▶ Whether the events or conditions constitute a material uncertainty</li> <li>▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▶ The adequacy of related disclosures in the financial statements</li> </ul>	Audit results report
Misstatements	<ul style="list-style-type: none"> <li>▶ Uncorrected misstatements and their effect on our audit opinion</li> <li>▶ The effect of uncorrected misstatements related to prior periods</li> <li>▶ A request that any uncorrected misstatement be corrected</li> <li>▶ Material misstatements corrected by management</li> </ul>	Audit results report
Subsequent events	<ul style="list-style-type: none"> <li>▶ Asking the Corporate Governance, Audit and Standards Committee where appropriate about whether any subsequent events have occurred that might affect the financial statements.</li> </ul>	
Fraud	<ul style="list-style-type: none"> <li>▶ Asking the Corporate Governance, Audit and Standards Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority</li> <li>▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▶ Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>a. Management;</li> <li>b. Employees who have significant roles in internal control; or</li> <li>c. Others where the fraud results in a material misstatement in the financial statements.</li> </ol> </li> <li>▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▶ Any other matters related to fraud, relevant to Audit Committee responsibility.</li> </ul>	Audit results report




# Appendix A

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		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the Authority</li> </ul>	Audit results report
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report</p> <p>Audit results report</p>



# Appendix A

		 Our Reporting to you
<b>Required communications</b>	 What is reported?	 When and where
External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	All confirmations requested have been received
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>▶ Enquiry of the Corporate Governance, Audit and Standards Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Corporate Governance, Audit and Standards Committee may be aware of</li> </ul>	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit.</li> </ul>	Audit results report



# Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul style="list-style-type: none"> <li>▶ An overview of the type of work to be performed on the financial information of the components</li> <li>▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work</li> <li>▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted</li> <li>▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.</li> </ul>	Audit results report
Written representations we request from management and/or those charged with governance	<ul style="list-style-type: none"> <li>▶ Written representations we request from management and/or those charged with governance</li> </ul>	Audit results report
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> <li>▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	Audit results report
Auditors report	<ul style="list-style-type: none"> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit results report
Fee Reporting	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit planning report is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Audit Planning Report Audit Results Report



## Appendix B

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# Outstanding matters

There are no outstanding matters

## Management Rep Letter

Ernst & Young LLP  
R+ Blagrove Street  
Reading  
RG1 1AZ

Dear Maria

This letter of representations is provided in connection with your audit of the financial statements of Rushmoor Borough Council ("the Council") for the year ended 31<sup>st</sup> March 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of Rushmoor Borough Council as of 31 March 2020 and of its income and expenditure for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### A. Financial Statements and Financial Records

We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20

We acknowledge, as members of management of the Group and Council, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and are free of material misstatements, including omissions. We have approved the financial statements.

The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

As members of management of the Group and Council, we believe that the Group and Council have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, that are free from material misstatement, whether due to fraud or error.

We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### B. Non-compliance with law and regulations, including fraud

We acknowledge that we are responsible to determine that the Group and Council's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

# Management representation letter

## Management Rep Letter

We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Council (regardless of the source or form and including without limitation, any allegations by “whistleblowers”), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Group and Council’s financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group and Council’s activities, their ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

### C. Information Provided and Completeness of Information and Transactions

We have provided you with:

Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

Additional information that you have requested from us for the purpose of the audit; and

Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All material transactions have been recorded in the accounting records and are reflected in the financial statements, including those related to the Covid-19 pandemic and including those related to the conflict and related sanctions in Russia, Ukraine and/or Belarus.

We have made available to you all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: TBC.

We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Council’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the [period] end. These transactions have been appropriately accounted for and disclosed in the financial statements.

We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

We have disclosed to you, and the Council have complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

### D. Liabilities and Contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties.

**Management Rep Letter****E. Subsequent Events**

Other than described in the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

**F. Other information**

We acknowledge our responsibility for the preparation of the other information. The other information comprises the information included in the statement of accounts, other than the financial statements and our auditor's report thereon.

We confirm that the content contained within the other information is consistent with the financial statements.

**G. Climate Related Matters**

We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered including the impact resulting from the commitments made by the Council, and reflected in the financial statements.

The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the applicable financial reporting framework, aligned with the statements we have made in the other information or other public communications made by us.

**H. Going Concern**

Note 7a to the financial statements discloses all the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

**I. Ownership of Assets**

Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.

All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.

We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

**J. Reserves**

We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

**K. Use of the Work of a Specialist - Pensions and Property, Plant and Equipment**

We agree with the findings of the specialists that we engaged to evaluate the valuation of Property, Plant and Equipment, the IAS19 actuarial valuations of pension fund liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

# Management representation letter

## Management Rep Letter

### L - Estimates

#### PPE Valuations and Pensions Liability Estimates

We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We confirm that the significant assumptions used in making the estimates for PPE and Pensions Liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements due to subsequent events.

### M. Retirement benefits

On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

\_\_\_\_\_  
Simon Little - Interim Head of Finance/S151 Officer

\_\_\_\_\_  
Peter Cullum - Chair of the Corporate Governance, Audit and Standards Committee

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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ED None

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**CORPORATE GOVERNANCE  
AUDIT AND STANDARDS COMMITTEE**

**AUDIT MANAGER  
REPORT NO. AUD 23/04**

**1<sup>st</sup> JUNE 2023**

**INTERNAL AUDIT – YEAR END AUDIT UPDATE**

**SUMMARY:**

This report describes:

- The work completed by Internal Audit during 2022/23;
- A progress update on the audits from 2022/23 Audit Plan completed since the last update report to Committee.

**RECOMMENDATION:**

Members are requested to:

- i. Note the audit work completed since the last update report to Committee.
- ii. Note the completion of work against the plan.

**1 Introduction**

1.1 This report is to provide Members with:

- An overview of the work completed since the update provided to the Committee in March 2023;
- An update on completion of work against the 2022/23 Audit Plan.

**2 Audit Work Completed**

2.1 The table below provides an overview of the assurance opinion, given to the completed audit since the last update:

Audit Title	Assurance Opinion	Recommendations by Priority		
		High	Medium	Low
<b>2022/23 Internal Audit Plan</b>				
S106 follow up	Substantial	N/A	N/A	N/A
Treasury Management	Substantial	0	3	5
Performance Management	Substantial	0	0	6
Information Governance	Reasonable	0	9	1

Application Patch Management follow up	Reasonable	N/A	N/A	N/A
CCTV transfer	Substantial	0	0	0
IT Software Development	Reasonable	1	9	2
Staff Recruitment & Retention	Reasonable	0	5	0
Concerto Property System - PIR	Reasonable	0	1	0
Council Tax Billing, Collection & Recovery	Reasonable	0	2	4

2.2 Below is a summary of the key findings from the audits.

S106 follow up

The S106 audit was carried out in 19/20 and provided a limited assurance level.

It has been identified that the process around S106 agreements has substantially improved, with a joined-up approach, clearer records and more monitoring and oversight across all services involved. All recommendations made have been implemented.

A comprehensive report is produced and published annually in relation to the spend of S106 payments received. This can be viewed in more detail on the Council's website and therefore have not been specifically highlighted within this report. ([Planning obligations and the Community Infrastructure Levy - Rushmoor Borough Council](#))

Treasury Management

Processes and controls are well established and soundly managed by the experienced Treasury Management team. Testing identified that for the Money Market Fund and Borrowing transactions, the appropriate supporting documentation and approvals were in place.

The updated CIPFA Code of Practice is reflected in the latest annual Strategy (2023/24).

Formal cashflow forecasting is planned to be introduced in the near future which will assist the current good practices in operation.

### Performance Management

There is a well-established performance management structure and reporting routine, which reaches the right senior management and Member audience on a regular basis. An in-year performance review by the Overview & Scrutiny Committee could also be introduced.

The quarterly corporate projects information has good detail with a narrative on the current status and, the key business indicators provide useful comparisons to last quarter and the previous year's corresponding quarter. There is also an update on the key corporate Strategies and Plans twice a year.

The data collection and reporting routine is sound albeit there is predominantly a reliance on one experienced officer for the process within the Performance Management team. The services are aware of their role each quarter, with a timetable also available for 2023-24.

### Information Governance

Guidance, processes and controls are generally in place for information governance, including a Framework, related policies and records for privacy notices, the Information Asset Register (IAR) and Record of Processing Activities (RoPA). However, these need to be reviewed to ensure that they are up to date, complete and capture all relevant aspects.

SharePoint has Information Governance pages although not all policies and related documents are present and a review is required to ensure that it is complete and informative for officers and Members.

In regard to training, information governance e-learning modules are in place for council officers. Senior Management are aware that there are gaps in the completeness of training which are being progressed. Specific training sessions have been provided to council Members.

A specialist consultant, Silversands, has been engaged to progress the e-mail Document Protective Marking implementation and the council has an appropriate data breach log in place which holds good detail on the data breaches and the actions taken to resolve them.

The extent of Data Protection Impact Assessments (DPIAs) within the services needs to be identified and also introduced as a standard condition for all new projects.

There is relevant performance monitoring in place for information governance processes.

#### Application Patch Management follow up

This report follows up on the actions agreed in the 2020/21 audit of Application Patch Management. The original audit covered arrangements in place for five core line of service applications (Express, Integra, I-World, Uniform and 3Sixty), with the aim of confirming:

- Appropriate, in date contracts were in place with system vendors.
- Applying patches was carried out correctly, specifically including testing, prior to being migrated to live systems.
- Roles and responsibilities were clear, including service leads and support arrangements.
- Roadmaps of upcoming changes were held by RBC, to inform future planning for key systems.

The original audit identified that arrangements in place in 2020/21 for the systems reviewed were inconsistent, with four high-level findings raised to enhance RBC's approach to application patch management.

Two of the four recommendations have been implemented and the remaining two recommendations have been partially implemented. One of the partially implemented recommendation is awaiting the implementation of the new IT Service Desk prior to further work being carried out to fully implement the recommendation. The other recommendation is being addressed more corporately with regards to contract management and is now not a service recommendation but a corporate one, in which work is progressing.

#### CCTV transfer

The transfer of the operation of the Council's CCTV to Runnymede Borough Council (RuBC) has taken over two years to date since the Cabinet approval to transfer was made in August 2020, as the legal contracts had not been agreed until recently.

Much of the delay had been the wording and agreement of the operational schedule, as well as the data protection and freedom of information responsibilities, which could be attributable to the involvement of external legal counsel by both councils.

There was a lack of formal project management from the onset for this project. Although, project management was not well established at the time this project commenced, hence IT Project Management consultancy used.

The transfer was completed mid-February 2023.

### IT Software Development

While RBC has historically carried out development in-house in the last three years the volume of development has increased significantly, linked to the growth of digital services. With the increased focus on cyber security an initial audit (this review) was requested by IT management. A number of proposed enhancements have been agreed, to help the service better align with good practice, for example as recommended in guidance from the National Cyber Security Council (NCSC).

However, it should be noted that the core development team only has two full time employees, supplemented by contract staff. Therefore, this does mean that it will not be possible to fully align with best practice, but rather agreed actions aim to make the control environment as robust as possible, within the constraints which the Digital Team operates.

The Digital Team is responsible for the core RBC website, a range of recently developed web-based systems and a small number of systems running on the internal network. System owners in service areas spoken to are complementary regarding delivered systems and the development 'experience' and did not identify any significant issues with systems since they have gone live.

How the process is managed regarding the 'interface' with service areas is quite informal. However, specifications are always produced, IT management is confident that clients are given clear timelines for delivery and developers are confident that systems are always tested on separate test systems and signed off, prior to going live. This area would benefit from greater formality and retention of evidence, for example of approvals but audit fieldwork did not identify any major issues. Enhancing the current approach will help to ensure that the development process continues to operate smoothly, for all stakeholders.

Linked to the small size of the Digital Team, the nature of the developments carried out and the need to roll out functionality in short timeframes, the primary focus has been on developing systems to meet business goals, rather than strictly complying with the best security practice, for example as set out in guidance from the NCSC. While fully complying with NCSC guidance is unlikely to be possible the starting point needs to be defining sound technical standards (informed by NCSC guidance) and implementing the most robust possible framework to maximise compliance.

As noted above most recent development is all in MS Azure. This is a relatively new technology at RBC. Staff (both development and wider technical IT) would benefit from more training, to address any gaps, with the

knowledge gained used to inform review of some areas of the 'technical' infrastructure.

### Staff Recruitment & Retention

The Council faces difficulties with staff recruitment and retention in the current climate. The impacts of Brexit, the Covid-19 pandemic and the current cost-of-living crisis have severely reduced the labour market in the UK and, consequently, the Council is competing with both other local authorities and the private sector to attract and retain staff.

During 2022/23, 43 vacancies were advertised, out of the total number of applications received across these advertisements, only 17% resulted in applicants being invited for interview. It was also noted that a low number of applications were received for specialist roles. Demonstrating the Council is not reaching the right calibre of applicants for the jobs being advertised.

Out of the total jobs advertised, 53% lead to interviews being held. Although, overall, out of the 43 jobs advertised, only 35% resulted in someone being recruited to the role.

Notice periods for specialist roles may be insufficient to ensure continuity of key service delivery. Although, some services have highlighted this risk within their service risk register with mitigating actions should this occur, there is no formal succession planning in place.

### Concerto Property System – PIR

Concerto phases 1a (core property and invoice data) & 1b (property compliance and maintenance) were implemented successfully, albeit six months later than planned.

The main cause of the delay was the lack of effective project planning and management at the start, which led to the underestimations of the time needed to validate the commercial property data held and uploaded (not aided by the loss of key staff), as well as of the complexity of the interface to the Finance system, Integra. The latter was also attributable to the lack of involvement of Finance initially, as well as to Concerto Support Services Ltd (CSS), which underestimated the resources needed.

Also, there was no contract with CSS in place until after the implementation – signed in June 2022. Despite this, a purchase order was raised in April 2021 and payments made for monthly invoices submitted by CSS from May 2021 including a full year's licence fee, although Concerto went live a year later, in April 2022.

Finally, a Data Protection Impact Assessment has not been conducted despite Concerto containing personal data.

Within this report some 'lessons learnt' points have been highlighted. Whilst not effective as a recommendation within this report they are points which



would be beneficial to be aware of for other future projects undertaken by the Council.

### Council Tax Billing, Collection & Recovery

Sound processes are in place for the annual billing process, issuing bills and collecting council tax.

Work is currently underway to change the approach to inspecting properties which are receiving a discount or exemption. A more risk-based approach will be taken. Once finalised the Local Taxation Manager will ensure this approach is clearly documented.

Monitoring of accounts at recovery stage is minimal with 69% of the sample tested not being recently monitored. This has already been recognised as an issue and analysis is currently underway to see the type of calls/ queries being raised with the team to see if the right type of work is being filtered to CSU, to ensure the Local Taxation officers time is effectively utilised on recovery work.

However, it should be noted that the Council's collection rate for 2022/23 was 97.72%, which given the current economic climate, is good. In addition to this, for older years, Liabilities Orders have been reduced by 882, which equates to £722.7k, which is a 15% reduction in debt. Compared with the previous year which was 12%. It should be noted that liability orders could not be obtained for Council Tax debt during the Covid pandemic and resumed in August 2021.

### **Progress towards the 2022/23 Audit Plan**

- 2.2 The table below provides a summary of the completion of audits for 2022/23 against the plan which will be used to assist the assurance opinion:

<b>Audit/ Audit follow up status</b>	<b>Number of reviews</b>	<b>%</b>
Finalised	20	95.2
Draft report	0	0
In progress but not substantially completed to include within the 2022/23 assurance opinion	1	4.8
<b>Total</b>	<b>21</b>	<b>100%</b>

*NB: The figures within the table include 2 audits carried forward from the 2021/22 audit plan.*

### **3. Recommendation**

- 3.1 Members are requested to note the information provided within the report in relation to the completion of Audit work against the 2022/23 audit plan.

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**References:** *Internal Audit – Audit Plan 2022/23*, presented to the Committee on 28  
March 2022.

[Agenda for Corporate Governance, Audit and Standards Committee on Monday, 28th March, 2022,  
7.00 pm - Rushmoor Borough Council](#)

**CORPORATE GOVERNANCE  
AUDIT AND STANDARDS COMMITTEE**

**AUDIT MANAGER  
REPORT NO. AUD 23/05**

**1<sup>st</sup> JUNE 2023**

**INTERNAL AUDIT – AUDIT OPINION**

**Summary:**

This report sets out the Internal Audit coverage, findings and performance for 2022/23 and presents the Audit Manager's overall assurance opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control (GRC) environment.

It also covers the self-assessment carried out against the Public Sector Internal Audit Standards (PSIAS) and the progress on the Quality and Assurance Improvement Plan (QAIP) for the year.

**Recommendations:**

Members are requested to:

- I. Note the coverage of assurance obtained across the Council;
- II. Note the level of GRC assessed in 2022/23 through opinion-based audit assurance work;
- III. Note the Audit Opinion given for 2022/23;
- IV. Endorse the Performance Indicators for the internal audit activity for 2023/24;
- V. Note the self-assessment exercise against the PSIAS and the areas of non-conformance with them in Appendix 2; and
- VI. Endorse the Quality and Assurance Improvement Plan for 2023/24 shown in Appendix 3, which details areas of improvement to reduce the areas where the audit activity does not conform to the PSIAS.

**1 Introduction**

- 1.1 In accordance with the Accounts and Audit (England) Regulations 2015, the Audit Manager is required to report, on an annual basis, on the overall adequacy and effectiveness of Rushmoor Borough Council's framework of governance, risk management and control (GRC).
- 1.2 The report in Appendix A sets out the internal audit work carried out within 2022/23 and the coverage of work carried out to enable the Audit Manager to form this opinion.
- 1.3 Furthermore, annually the Audit Manager is required to carry out a self-assessment on the internal audit activities conformance with the Public Sector Internal Audit Standards (PSIAS) and communicate this to the Corporate

Governance, Audit and Standards (CGAS) Committee. The report details the outcome of the self-assessment carried out.

- 1.4 The internal audit plan for 2022/23 was approved by this Committee on the 28 March 2022 (AUD22/06).

## **2 Audit Opinion**

- 2.1 The report within Appendix A details the areas of assurance obtained in order to form the audit opinion. In assessing the level of assurance to be given for 2022/23, the opinion is based on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy); as set out below in appendix 1
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate for example PSN certification, peer reviews, ISO assessments;
- The counter-fraud work carried out by the Corporate Investigations Team;
- the quality and performance of the Internal Audit service and the extent of compliance with the Standards;
- NFI data match checks;
- Participation on relevant governance groups across the Council including, the Corporate Governance Group, Information Governance Group; and
- Mitigations in place to minimise the risks identified within the Corporate Risk Register.

## **3. Conclusion**

- 3.1 Sufficient assurance work has been completed within the year to enable an overall audit opinion of reasonable to be provided on Rushmoor Borough Council's Governance, Risk Management, and Control framework.

- 3.2 Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

- 3.3 A self-assessment against the PSIAS highlighted the following areas of non-compliance:

- An external assessment has not been carried out on Internal Audits conformance with the Standards.
- Policies and procedures are not up to date
- Internal Audit does not have regular contact with External Audit
- An assurance map is not in place for all assurance across the Council.

3.4 All items have been included as actions within the improvement plan in Appendix 3.

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**References:** *Public Sector Internal Audit Standards (2013)*  
<http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>

## ANNUAL REPORT AND AUDIT OPINION 2022/23

### 1. Introduction

1.1 The Internal Audit Plan for 2022/23 was presented to and approved by the CGAS Committee on 28 March 2022. The following report and appendices set out:

- The Internal Audit coverage, findings and performance for 2022/23;
- The Audit Manager's opinion on the overall adequacy and effectiveness of the Council's GRC framework, which can be used to inform the Council's Annual Governance Statement (AGS);
- The result of the PSIAS self-assessment for 2022/23;
- The performance against the agreed QAIP for 2022/23; and
- The QAIP for the Internal Audit service for 2023/24.

### 2. Role of Internal Audit

2.1 The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 which states that a relevant body must:

*'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'*

2.2 The standards for 'proper practices' in relation to internal audit are laid down in the Public Sector Internal Audit Standards 2016 [*the Standards*]. The role of Internal Audit is best summarised through its definition within PSIAS, as an:

*'Independent, objective assurance and consulting activity designed to add value and improve an organisations 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'.*

2.3 Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to the Internal Audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

### 3. Internal Audit Approach

3.1 To enable effective outcomes, Internal Audit provides a combination of assurance and consultancy activities. Assurance work involves assessing how well the system and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary.

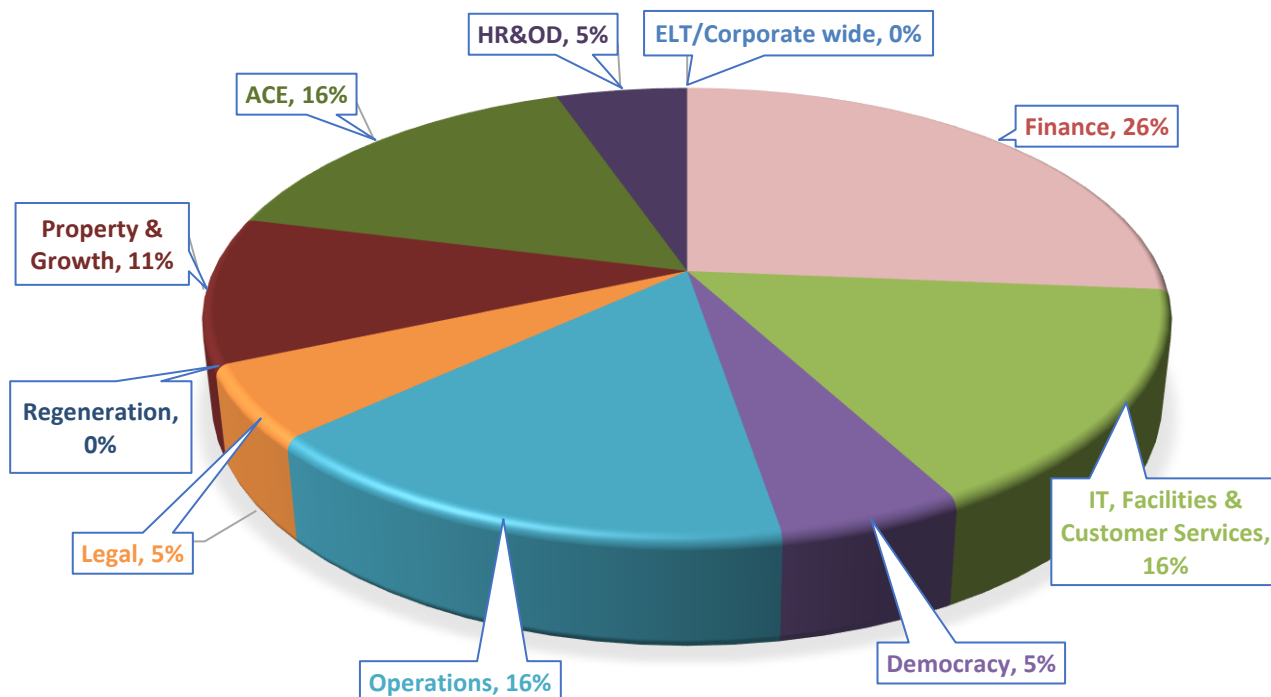


- 3.2 All formal Internal Audit assignments will result in a published report. The primary purpose of the Audit report is to provide an independent and objective opinion to the Council on the risk management, control and governance processes in operation and to stimulate improvement.

#### **4. Internal Audit Coverage and Output**

##### Coverage

- 4.1 The Internal Audit work has been planned in order to obtain sufficient evidence from across the Council to enable a reasonable assurance to be given that the Governance, Risk Management & Control environment is operating effectively.
- 4.2 The Governance, Risk management & Control environment comprises the Council's policies, procedures and operational systems and processes in place to:
- Establish and monitor the achievement of the Council's objectives;
  - Facilitate policy and decision making;
  - Ensure the economical, effective and efficient use of resources;
  - Ensure compliance with established policies, procedures, laws and regulations; and
  - Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption
- 4.3 The audit plan has remained fluid throughout the year to ensure an effective focus can be provided. Changes to the plan have been communicated to the CGAS Committee as part of the Audit update reports. To summarise, throughout the financial year the following changes have been made to the plan:
- Ashbee was included within the plan
  - CREP was not substantially completed to enable inclusion within the 2022/23 audit opinion but will still be finalised and included within the 2023/24 audit opinion.
- 4.4 Two audits were reported within the audit update reports which related to 2021/22. Assurance had been placed on these audits within the 2021/22 audit opinion. Therefore, these audits have not been included within the overall figures set out within this report. Hence, the total number of audits are less than provided within the updates.
- 4.5 The pie chart below shows the revised internal audit coverage across the various services within the Council for 2022/23, based on the completed and substantially finalised audits.



4.6 Specific IT network security audits are not carried out currently, as reliance on this is taken from the annual Public Services Network (PSN) Certification. PSN outlines the minimum Information Assurance standards expected of organisations connected to the PSN and carries out an assessment against these standards. Areas covered within this review are:

- Operational security – Appropriate policies, processes and procedures in place;
- Authentication and access control – Appropriate access levels for users’ needs;
- Boundary protection and interfaces – Firewall and network parameter security;
- Protecting data at rest and in transit – Encryption and data access security;
- User and Administrator separation of data – Access controls;
- Users – Pre-employment checks for users with administrative privileges; and
- Testing your security – Carry out regular IT health checks.

4.7 A PSN Code of Connection (CoCo) is completed annually to demonstrate our compliance. Any areas of non-compliance are highlighted and reported along with our remediation action plan, when applying for PSN certification. The Council achieved its PSN compliance in March 2023 until March 2024.

4.8 In addition to the audit carried out Internal Audit also provided consultancy on the Council’s Union Yard regeneration project which has contributed to the overall assurance.

- 4.9 The view of External Audit is also considered. However, as the audit of the 2021/22 accounts has been delayed, this could not be done. Although, the 2019/20 accounts have now been signed off as unqualified.
- 4.10 The Council Plan and the Corporate Risk Register are reviewed to place some assurance that appropriate mitigation has been put in place against the strategic and operational risks identified.
- 4.11 The Council is ISO 9001:2015 certified for building control. As part of this an external audit was carried out in May 2021 to assess compliance towards the ISO standard. The outcome from this assessment found that the Council did comply with the standards and the certification was re-issued for another 3 years.
- 4.12 The Council partook in two LGA peer reviews during 2022/23:
- Cyber Security
  - Communications
- The outcomes from these reviews have been considered when formulating the assurance opinion.

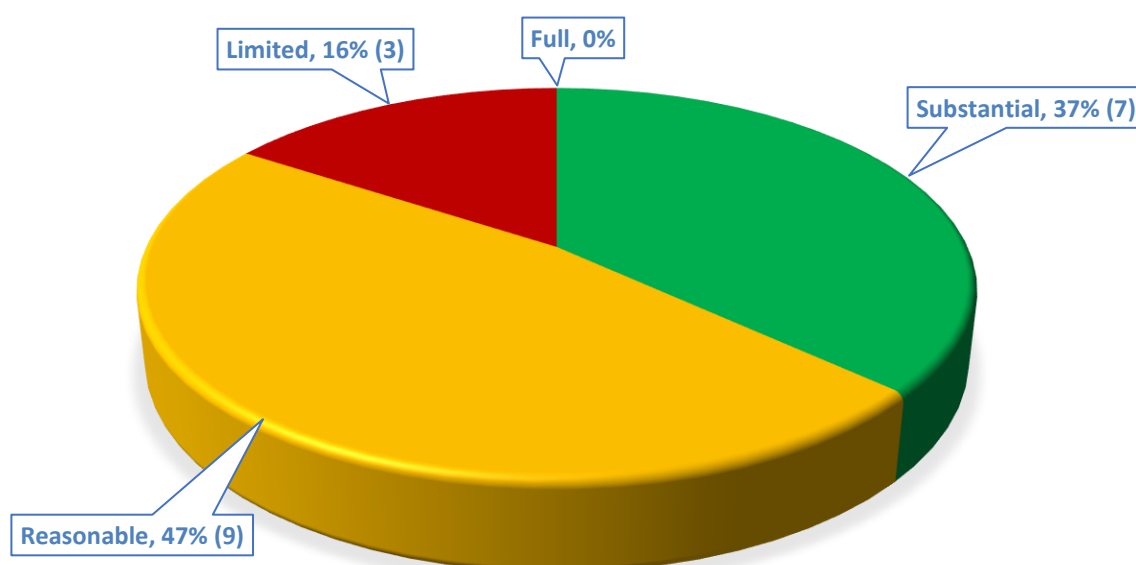
Output

- 4.13 In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report.
- 4.14 All final audit reports include an action plan which identifies responsible officers, and target dates, to address any control issues identified. Implementation of action plans rests with management.
- 4.15 High risk control issues identified are followed up on a regular basis and “Limited” overall assurance reports are reviewed during subsequent audits or as part of a specific follow up.
- 4.16 Any significant weaknesses identified are put forward for consideration when preparing the Council’s AGS.
- 4.17 The revised 2022/23 Internal Audit Plan has been 95% delivered. Only one audit planned has not been substantially completed to enable it to be included within the overall opinion. However, this has not had an impact on the ability to provide an assurance opinion on the Governance, Risk Management and Control environment within the Council by the Audit Manager.
- 4.18 Most of Internal Audit’s assurance work results in the issue of an opinion on the controls and procedures in place, categorised as follows:

Full	A comprehensive system of internal controls is in place designed to achieve the system/function/process objectives. These controls are operating effectively and are being consistently applied.
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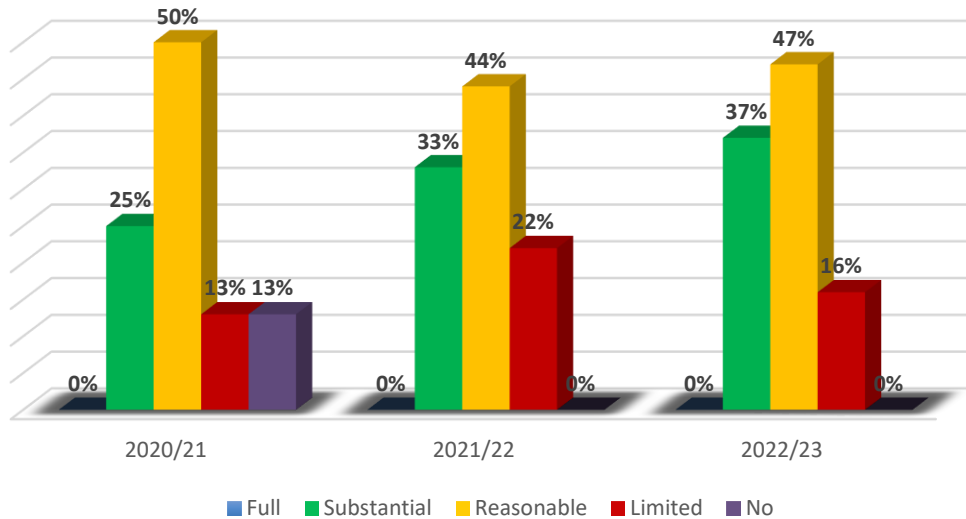
Substantial	Key controls designed to achieve the system/function/process objectives, are in place. There are opportunities to enhance/strengthen these controls.
Reasonable	Basic controls designed to achieve the system/function/process objectives, are in place. Improvements are required if key controls are to be established.
Limited	Minimal controls designed to achieve the system/function/process objectives, are in place. Significant improvements are required if key controls are to be established.
No assurance	No controls that achieve the system/function/process objectives, are in place.

4.19 Analysis of the opinion-based assurance work shows the following distribution of opinions issued during 2022/23. Based on this, I can conclude that a reasonable level of internal control is in operation in the Council. See also the audit update reports, which provide further detail on the assurances provided for each report.

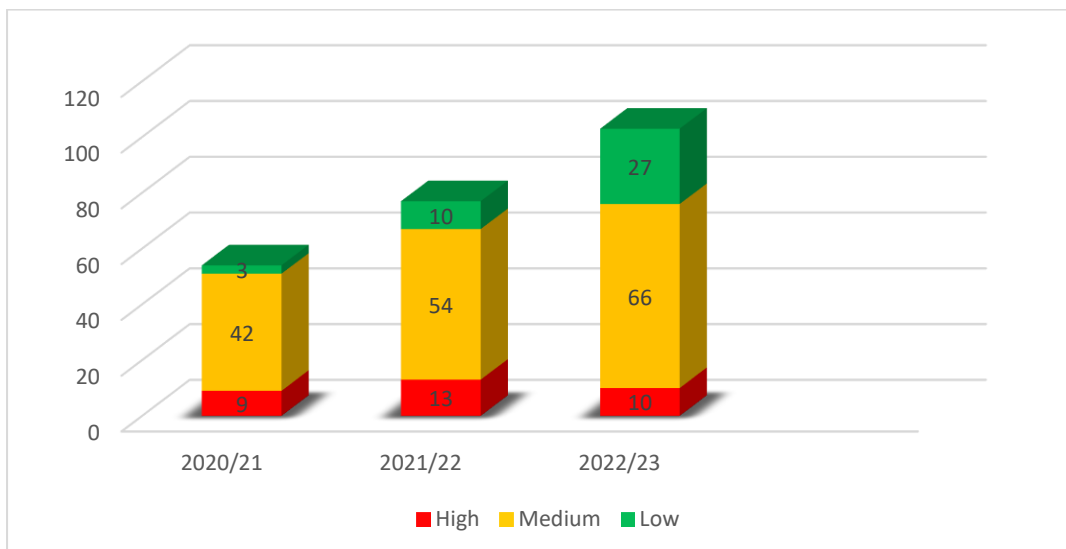


4.20 The trend in the audit opinions over the past few years is illustrated in the graph below. This shows that, over the last few years the substantial and reasonable assurances have remained similar, with substantial assurances remaining on average a third of all opinions. Whilst limited assurances have slightly decreased.

4.21 Internal Audit's opinion remains that the overall level of internal control in the Council is reasonable.



4.22 The bar chart below shows the number and level of priority of recommendations made in comparison to previous years. The majority of recommendation remain as medium with a small number of high.



(NB: Some of the figures have been changed from what was reported in previous years as an error with the figures was identified.)

4.23 A summary of audit work across the organisation is shown within the table in Appendix 1

## **5 Performance indicators**

- 5.1 The following performance measures were put in place within 2022/23:
- % of draft reports received by the audit manager within 6 weeks of the initial meeting with the auditee;
  - % of draft reports finalised with the auditee within 21 days following the Audit Managers review; and
  - A target of 90% of the audit plan programme to be completed/ at draft report stage, by the end of the financial year.
- 5.2 The outcome of the performance measures for 2022/23 are detailed below:
- 41% of the draft reports were received by the audit manager within 6 weeks;
  - 82% of draft reports were finalised with the auditee within 21 days; and
  - 95% of the audit plan programme was completed by the end of the financial year.

## **6 Anti-fraud and corruption**

- 6.1 The Council is committed to the highest possible standards of openness, probity and accountability. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image. Counter-fraud arrangements assist in the protection of public funds and accountability.
- 6.2 Policies and strategies are in place setting out the Council's approach and commitment to the prevention and detection of fraud or corruption, including an Anti-fraud, bribery and corruption policy and a Money-laundering policy.

### National Fraud Initiative (NFI)

- 6.3 The Council continues to conform to the requirements of the National Fraud Initiative (NFI). An annual SPD NFI exercise is carried out to match data from the Council tax system and the Electoral roll. The Council submitted the required data sets for this in December 2022, with feedback on potential matches being received instantly.
- 6.4 The SPD data match provided 654 potential irregularities. This are currently being worked through by Council Tax with the property inspector verifying data, with 50% of the matches already being reviewed. As at April 2023, 36 cases have been identified as potential frauds with a total recovery value of £12,815. Work will continue over the coming months to complete this review.
- 6.5 Furthermore, a biennial NFI exercise is carried out which is classed as a 'National exercise'. This reviews areas such as, Parking permits, Payroll, Licenses etc. The Council submitted required data sets for the national exercise in October 2022 receiving feedback on potential matches in February 2023.
- 6.6 The National exercise provided 581 potential irregularities across 33 various reports. Previously the outcome from the national exercise has not provided any successful outcomes, therefore a percentage check of each report is being carried out.



- 6.7 29 of the reports, providing 510 potential irregularities of which 80 cases have been reviewed, have been closed as at April 2023 with no successful outcomes. Work will continue to review the remaining 4 reports.

Proactive anti-fraud work

- 6.8 No new anti-fraud work has been done in respect of Covid-19 Business Grants since being reported for 2020/21. However, an audit of Covid-19 Business Grants was carried out this financial year with a substantial assurance being provided.

Irregularities

- 6.9 The Corporate Investigation Officers have assessed and where appropriate, advised, investigated, or supported the investigation of any allegations of fraud, corruption or improper practice. Analysis of the types of investigation and the number undertaken in 2022/23 are detailed in the table below. *(The below figures do not detail any work carried forward from 2021/22)*

Area	No. of cases
Fly tipping	7
Revenue & Benefits	54
Other	6
Total	67

Regulation of Investigatory Powers Act (RIPA)

- 6.10 As part of the Council’s Regulations of Investigatory Powers Act (RIPA) policy and in line with requirements from the Investigatory Powers Commissioners’ Office, below are details on the number of RIPA applications made for investigation work to the end of March 2023.
- 6.11 No investigations have been undertaken which required RIPA approval.

**7 Internal audit opinion**

- 7.1 The Audit Manager is responsible for the delivery of an Annual Audit Opinion that can be used by the Council to inform its Annual Governance Statement. The opinion concludes on the overall adequacy and effectiveness of the Council’s framework of Governance, Risk Management & Control.
- 7.2 In giving this opinion, assurance can never be absolute, as audit cannot review every decision and transaction of the Council. Therefore, only a reasonable assurance can be provided that there are no major weaknesses in the Council’s processes reviewed and any reliance placed on other sources of assurance.
- 7.3 In assessing the level of assurance to be given, I have based my opinion on various assurance sources:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy); as set out below in appendix 1
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate for example PSN certification, peer reviews, ISO assessments;
- The counter-fraud work carried out by the Corporate Investigations Team;
- the quality and performance of the Internal Audit service and the extent of compliance with the Standards;
- NFI data match checks;
- Participation on relevant governance groups across the Council including, the Corporate Governance Group, Information Governance Group; and
- Mitigations in place to minimise the risks identified within the Corporate Risk Register.

**Opinion of the Audit Manager**

I am satisfied that sufficient assurance work has been undertaken to allow me to form a reasonable conclusion on the adequacy and effectiveness of Rushmoor Borough Council's GRC environment.

In my professional opinion, Rushmoor Borough Council's framework of GRC is **reasonable** and assurance work undertaken has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

## 8 PSIAS

- 8.1 The PSIAS and the Local Government Application Note (LGAN), together came into effect from April 2013 and supersedes the 2006 CIPFA Code of Practice for Internal Audit in Local Government.
- 8.2 A self-assessment against the standards for 2022/23 has been carried out by the Audit Manager. There are 11 overall standards, which are broken-down into 336 fundamental principles, against which to measure compliance. A summary of the findings is shown in the table below.

	<b>Compliant</b>			
	<b>Yes</b>	<b>Partial</b>	<b>No</b>	<b>N/A</b>
2022/23	303	8	5	20

- 8.3 A detailed breakdown of the areas of compliance and non-compliance is shown within Appendix 2.

8.4 The key areas of non-compliance are due to not having:

- An external assessment carried out of the Internal Audits conformance with the Standards.
- Up to date policies and procedures
- Regular contact with External Audit
- An assurance map in place for all assurance across the Council.

8.5 All items have been included as actions within the improvement plan in Appendix 3.

## **9 Quality Assurance and Improvement Plan (QAIP)**

9.1 The QAIP for 2023/24 will look to address some of the non-compliance and partial compliance identified within the PSIAS self-assessment, over the next financial year, taking in to account the resources available. The full QAIP for 2023/24 is set out in Appendix 3.



## PSIAS – Self-assessment

Aspect of Standards	No. of requirements in the standards	Standards not applicable at RBC	No. of applicable standards assessed	Compliance assessment		
				Yes	Partial	No
Definition of internal auditing	3		3	3		
Code of ethics	13		13	13		
<i>Attribute Standards</i>						
Purpose, authority & responsibility	23		23	23		
Independence & objectivity	30	5	25	22	2	1
Proficiency & due professional care	21		21	21		
Quality assurance & improvement programme	27	2	25	22	2	1
<i>Performance Standards</i>						
Managing the internal audit activity	47	1	46	40	4	2
Nature of work	31		31	31		
Engagement planning	58	6	52	52		
Performing the engagement	22		22	22		
Communicating results	55	6	49	48		1
Monitoring progress	4		4	4		
Communicating the acceptance of risk	2		2	2		
<b>Totals</b>	<b>336</b>	<b>20</b>	<b>316</b>	<b>303</b>	<b>8</b>	<b>5</b>
				<b>95.90%</b>	<b>2.5%</b>	<b>1.6%</b>

## Quality Assurance and Improvement Plan (QAIP) 2023/24

<b>Non-conformance</b>	<b>Action</b>	<b>Comments</b>
Internal Audit have not had an external assessment carried out on the Audit activity every 5 years.	External assessment has been agreed with Basingstoke Borough Council	An external peer review of this self-assessment will be carried out by Basingstoke Borough Council in June/July.
Internal Audit do not have in place up to date policies and procedures for the Internal Audit activity.	The internal audit policies and procedures will be updated.	This was due to be carried out within 2022/23. However, due to other higher priority work this was not carried out. Due to the service restructure these have been planned to be reviewed within this financial year.
Internal Audit does not regularly meet with External Audit.	Communication between Internal and External Audit should be improved.	The Redmond Review suggested that Internal and External Audit should engage more effectively.
The CAE has not carried out assurance mapping for the Council this year.	An assurance map should be set out.	Assurance mapping commenced in 22/23 however due to OBB work and other priorities this was not completed. Work will continue in 2023/24 to enable a full assurance map to be completed. Although, it should be noted that elements of the outcomes from the work obtained towards compiling an assurance map has been used to inform the assurance opinion for 2022/23.



**CORPORATE GOVERNANCE  
AUDIT AND STANDARDS COMMITTEE****AUDIT MANAGER  
REPORT NO. AUD 23/06****1<sup>st</sup> JUNE 2023****ANNUAL GOVERNANCE STATEMENT – 2022/23****SUMMARY:**

The purpose of this report is to present the Annual Governance Statement 2022/23 for review and approval.

**RECOMMENDATIONS:**

Members are requested to approve the Council's Annual Governance Statement 2022/23.

**1 Introduction**

- 1.1 In July 2017 the Council adopted a revised Code of Corporate Governance prepared in accordance with the CIPFA/ SOLACE framework document entitled 'Delivering Good Governance in Local Government: Framework (2016 Edition)'.
- 1.2 Regulation 6(1) of the Accounts and Audit Regulations 2015, provides that each financial year the Council must:
  - a) Conduct a review of the effectiveness of the system of internal control; and
  - b) Prepare an annual governance statement.
- 1.3 The Annual Governance Statement (AGS) should be reviewed and approved by this Committee prior to being signed by the Chief Executive and the Leader. The statement will then be published alongside the Statement of Accounts.

**2 What is the Annual Governance Statement**

- 2.1 The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an AGS, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in the year and on any planned changes to our governance arrangements in the coming year.
- 2.2 The Committee provides essential support for the approval of the AGS and for ensuring that good governance is embedded throughout the Council's activities.

### **3 Methodology for compiling the AGS**

- 3.1 The existing governance arrangements against the CIPFA/ SOLACE: 'Delivering good governance in Local Government framework – 2016 Edition' have been reviewed.
- 3.2 Assurance statements were obtained from Heads of Service to demonstrate how governance arrangements within their service meet the CIPFA/SOLACE framework for good governance.
- 3.3 Furthermore, the Corporate Management Team (CMT) and the Corporate Governance Group (CGG) has reviewed the AGS to ensure all governance arrangements have been reflected within the statement.
- 3.4 Actions to improve the governance arrangements are detailed within the AGS. Work undertaken towards implementing these actions will be regularly reviewed by the CGG and updates on the progress will be reported to this Committee.
- 3.5 The AGS for 2022/23 is contained within Appendix A of this report and the Council's Local Code of Corporate Governance is contained within Appendix B.

### **4. Requirements of the Committee**

- 4.1 To ensure a meaningful review of the AGS, this Committee should draw on its knowledge of the governance arrangements established and how they have operated during the course of the year, including:
  - Reviewing the Local Code of Corporate Governance which is contained within Appendix B of this report;
  - Ensure that the AGS is underpinned by a framework of assurance, which has been set out within the AGS;
  - Assurances provided by Internal Audit throughout the course of the year for the application of governance arrangements in practice and the monitoring of recommendations to improve governance arrangements. This has been included in the Audit Opinion (AUD2305); and
  - Consider how the Council applies governance principles in practice based on other agenda items reviewed by the Committee throughout the year.
- 4.2 The Committee needs to be satisfied that the AGS contained in appendix A properly reflects the governance environment and any actions required to

improve it and demonstrates how governance supports the achievement of the Council's objectives.

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**HEAD OF SERVICE:** Simon Little, Interim Executive Head of Finance & S151  
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**References:** CIPFA/ SOLACE framework: Delivering Good Governance in Local Government: Framework (2016 Edition)

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# Annual Governance Statement 2022/23

## Introduction and scope of responsibility

Rushmoor Borough Council (RBC) has approved and adopted a local code of corporate governance, which is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework 'Delivering good governance in Local Government'. A copy of RBC's adopted Code is on the Council's website:

[\(Local Code of Corporate Governance\)](#) RBC updates it's code annually and evidence is collated and assessment for compliance by the Corporate Governance Group (CCG) and the Executive Leadership Team (ELT).

The Annual Governance Statement (AGS) 2022/23 states how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6 (1b), and as amended by the Accounts and Audit (coronavirus) (Amendment) regulations 2020, which requires all relevant authorities to prepare an Annual Governance Statement. It is subject to detailed review by the Corporate Governance, Audit and Standards Committee (CGAS Committee) and approval in advance of them agreeing the Statement of Accounts, into which the AGS is referred.

RBC is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which include arrangements for the management of risk, whilst facilitating the effective exercise of its functions.

## The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process, designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

## What is the Annual Governance Statement (AGS)?

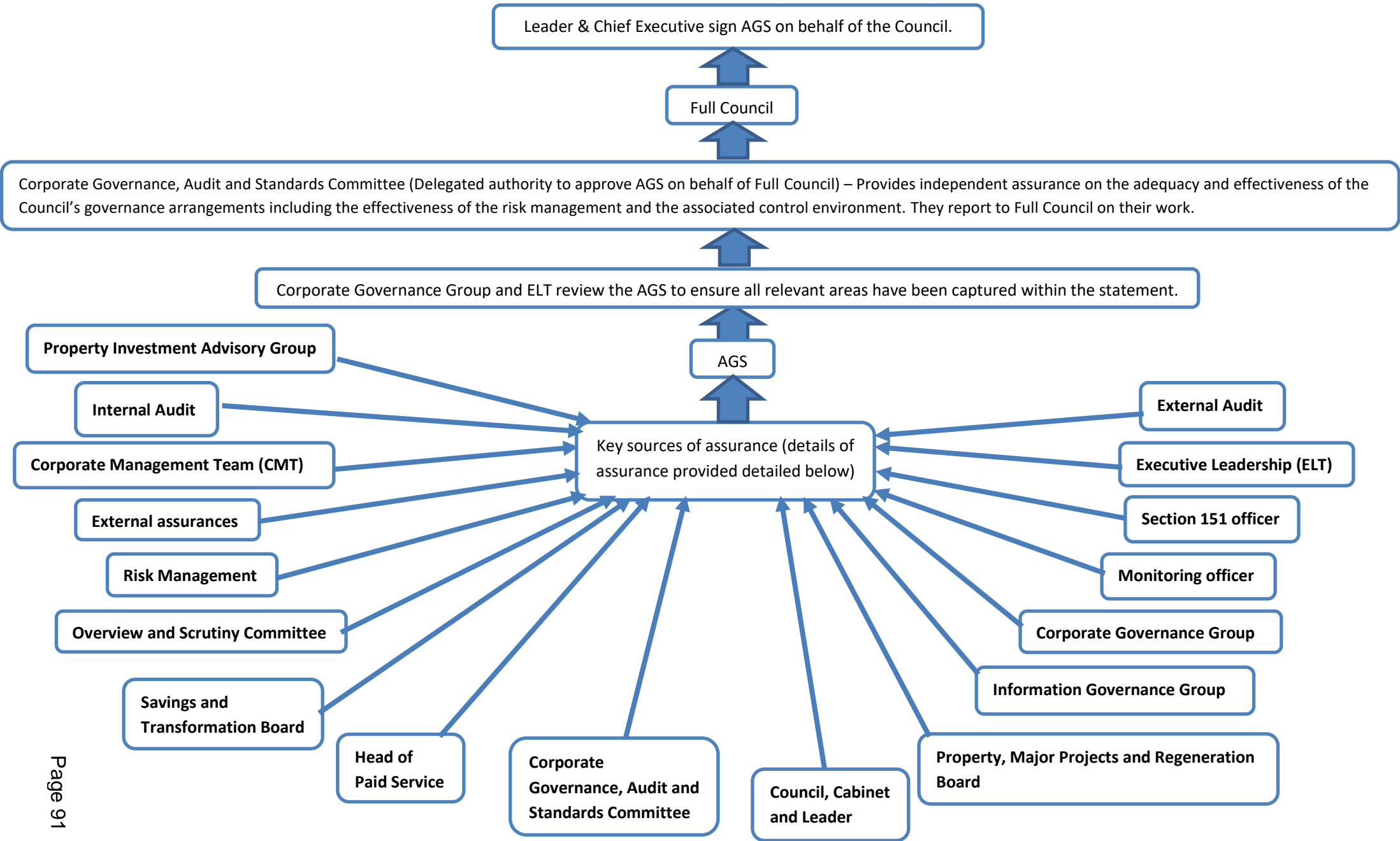
The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an AGS, to report publicly on the extent to which we comply with our own local Code of Corporate Governance including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year. In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Council's Governance Assurance Framework, which underpins the AGS, has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the AGS and Statement of Accounts.



# The Council's process for developing and adopting the AGS



<p><b>Council, Cabinet and Leader</b></p>	<ul style="list-style-type: none"> <li>• Adopting and making substantive changes to the constitution</li> <li>• Approving or adopting the annual budget</li> <li>• Agreeing and/or amending the Terms of Reference for Committees, deciding on their composition and appointing.</li> </ul>
<p><b>Overview and Scrutiny Committee</b></p>	<ul style="list-style-type: none"> <li>• Pre and post decisions made are subject to scrutiny/ call in for review by the Committee.</li> </ul>
<p><b>Corporate Governance, Audit and Standards Committee (CGAS)</b></p>	<ul style="list-style-type: none"> <li>• Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</li> <li>• Promotes high standards of Member conduct.</li> <li>• Approves the Annual Statement of Accounts and Annual Governance Statement.</li> <li>• Independent Member</li> </ul>
<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>• The corporate risk register is regularly reviewed and monitored to ensure appropriate mitigation is in place.</li> <li>• Service risk registers are regularly maintained and updated which are fed into the corporate risk register.</li> <li>• Regular updates on risk management and the risk environment is provided to CGAS.</li> </ul>
<p><b>Corporate Governance Group (CGG)</b></p>	<ul style="list-style-type: none"> <li>• Officers with statutory roles within the Council e.g., the Monitoring officer and Section 151 officer, review and provide assurance over the governance arrangements within the Council including any constitutional changes or issues.</li> </ul>
<p><b>External assurances</b></p>	<ul style="list-style-type: none"> <li>• Assurances are obtained from external bodies e.g. compliance with PSN.</li> <li>• Peer reviews</li> <li>• Engagement with LGA and encourage reviews</li> </ul>
<p><b>Information Governance Group (IGG)</b></p>	<ul style="list-style-type: none"> <li>• IGG develops and maintains an information governance framework for effective management of information.</li> <li>• Authority to decide/recommend operational matters around all aspects of information governance and reports to CGG.</li> <li>• Oversight of the Council's Cyber Security treatment plan.</li> </ul>
<p><b>Property, Major Projects and Regeneration Board (Capital Programme Board)</b></p>	<ul style="list-style-type: none"> <li>• Review of governance and risk management over major projects, for example Civic Quarter and Union Yard.</li> </ul>

<p><b>Head of Paid Services</b></p>	<ul style="list-style-type: none"> <li>• The Chief Executive carries the responsibility for the proper management of RBC and for ensuring that the principles of good governance are reflected in sound management arrangements.</li> <li>• Leads the Council's Management team in driving forward the Council's Strategic objectives.</li> </ul>
<p><b>Monitoring Officer</b></p>	<ul style="list-style-type: none"> <li>• Ensures compliance with established policies, procedures, laws and regulations.</li> <li>• Monitors ethical standards.</li> <li>• Reports actual or potential breaches of the law.</li> </ul>
<p><b>Section 151 Officer</b></p>	<ul style="list-style-type: none"> <li>• Develops a medium term financial strategy that is aligned with strategic priorities.</li> <li>• Safeguards public money</li> <li>• Promotes and deliver good financial management.</li> </ul>
<p><b>Executive Leadership Team (ELT)</b></p>	<ul style="list-style-type: none"> <li>• Implements the policy and budgetary framework set by the Council and provides advice to Committees and the Council on the development of future policy and budgetary issues and oversees the implementation of Council policy.</li> <li>• Influences a corporate culture and fostering a culture of high ethical standards and integrity.</li> <li>• Identifies and addresses cross cutting and strategic issues that may impact on the Council's control environment and risk.</li> </ul>
<p><b>Corporate Management Team (CMT)</b></p>	<ul style="list-style-type: none"> <li>• Responsible for developing, maintaining and implementing the Council's governance, risk and control framework. Including maintaining service risk registers.</li> <li>• Contribute to the effective corporate management and governance of the Council.</li> <li>• Provide assurance statements for the governance arrangements within their services which inform the Local Code of Corporate Governance and the AGS.</li> <li>• Performance Management</li> </ul>
<p><b>External Audit</b></p>	<ul style="list-style-type: none"> <li>• Audit/ review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).</li> </ul>
<p><b>Internal Audit</b></p>	<ul style="list-style-type: none"> <li>• Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework.</li> <li>• Delivers an annual programme or risk-based audit activity.</li> <li>• Makes recommendations for improvements in the management of the Council's risk, governance and control environment.</li> </ul>
<p><b>Property Investment Advisory Group</b></p>	<ul style="list-style-type: none"> <li>• Oversees the Council's commercial property.</li> </ul>

## Post Covid Environment

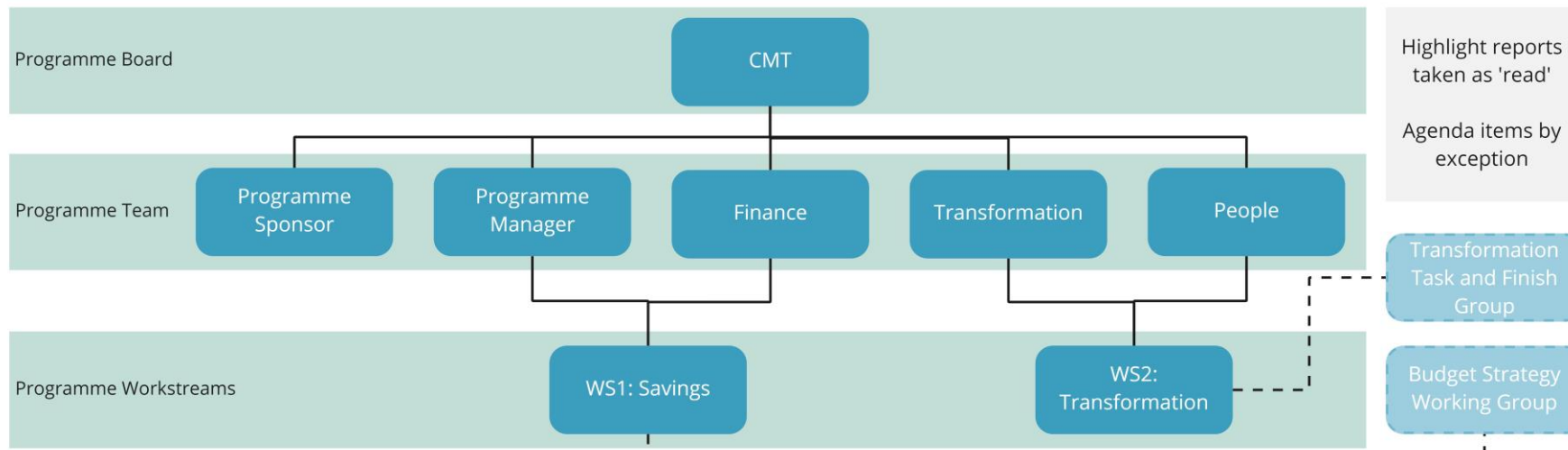
### Hybrid Working

Since the mandatory requirement for the Council to implement remote working during the Covid-19 pandemic the Council has now opted to continue to provide a hybrid working environment for employees. A hybrid approach is also being taken with non-decision-making committees where attendance can be in person or remote.

### Outcomes Based Budgeting (OBB)

The level of uncertainty around national policy issues (Levelling-up and the Local Government Finance Settlement) and the global economy makes it more difficult to predict the financial impact on the Council. The scale of the challenge currently faced for the Council in 2023/24 is c£3.250m. As a result, the Council's ELT and Service Manager's have shared views with the Council's Cabinet on the most appropriate methodology to produce new savings and income at a level suited to the materiality of the budget gap.

The OBB approach was determined through consultation and engagement as the primary methodology to apply for addressing the budget gap for 2023/24 and future years. The OBB work has identified c£2.3m in potential savings in 2023/24, in addition to the £1.8m previously identified savings. The work towards realising these savings will be monitored throughout the year as set out below



## Two budget reductions groups from Workstream 1:

### 1. Budget monitoring:

- 69 items totalling nearly £1.2 million
- Items are low risk, low value and/or complete
- Any variation to their respective budget/expenditure codes can be reported through budget monitoring in the usual way.

### 2. Programme monitoring:

- 36 items totalling £1.9 million
- These items are high risk, high value and/or have activity outstanding.
- They may need to be applied or increased in 24/25.
- They need to be reported more frequently to give us the opportunity to respond to any issues.
- Any variation should be reported through a more frequent, but parallel governance arrangement to budget monitoring.

This approach maintains monitoring and reporting of all budget reductions, at a reduced administrative burden through a risk-based approach. Those items which are more likely to vary, or whose variance would have a disproportionate impact, will continue to be more closely monitored.

### Levelling up fund

The Council has secured £20 million from the Government's Levelling up funding to develop a new leisure centre and cultural hub. As part of the regeneration of the Civic quarter. A project has been established and governance arrangements will be in place and regular meetings scheduled with the Department for Levelling Up, Housing and Communities (DLUHC), to ensure that spending of this funding is in line with their requirements.

### External Audit

It is key to highlight that the Council has been working with the Council's External Auditors, Ernst and Young, in order to sign off the 2019/20 accounts. This has now been completed and the 2019/20 accounts signed off by EY as both a 'true and fair view' and 'compliant' with the CIPFA/LASAAC code of practice. Work has been undertaken by the Finance and Property teams to ensure that the process and record keeping for the remaining years are in line with the requirements of EY to ensure there are no unnecessary delays.

 <p><b>COLLABORATE</b></p> <p><b>We achieve excellence by working together</b></p> <ul style="list-style-type: none"><li>• We involve the right people, at the right time and work together with enthusiasm</li><li>• We recognise and appreciate the contribution of others</li><li>• We help each other to bounce back from setbacks and persevere to reach our goals</li><li>• We work openly, and share our knowledge, expertise and plans</li><li>• We celebrate success and focus on positives</li></ul>	 <p><b>INNOVATE</b></p> <p><b>We are always thinking of new and better ways to make a difference</b></p> <ul style="list-style-type: none"><li>• We look for creative ways to drive improvement</li><li>• By taking responsibility for our own learning and development, we will explore new ideas and ways of working</li><li>• We will not just do what we did before, we seek to innovate</li><li>• We encourage each other and develop the shared vision and purpose</li><li>• We look outside our organisation for ideas, inspiration and new ways of thinking</li></ul>	 <p><b>BRAVE</b></p> <p><b>We are ambitious for Rushmoor</b></p> <ul style="list-style-type: none"><li>• We are willing to make bold decisions to make a difference to our community</li><li>• We have the courage to do things differently and 'give it a go'</li><li>• We take managed risks and view mistakes as opportunities to learn</li><li>• We will get things done quickly and efficiently</li><li>• We provide, seek and act on constructive feedback</li></ul>	 <p><b>INTEGRITY</b></p> <p><b>We uphold high standards of service through honesty, respect and compassion</b></p> <ul style="list-style-type: none"><li>• We put customers at the heart of what we do</li><li>• We take pride in being open and transparent</li><li>• We are personally accountable for our decisions and action and do what we say we will do, on time</li><li>• We respect and value difference, and listen to other perspectives</li><li>• We work to understand how others feel and how we can respond appropriately</li></ul>
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Our values and behaviours set out what our organisation stands for and what is important to us collectively. Through embedding them into everything we do, we will work together to achieve success.



## **How does the Council monitor and evaluate the effectiveness of its governance arrangements?**

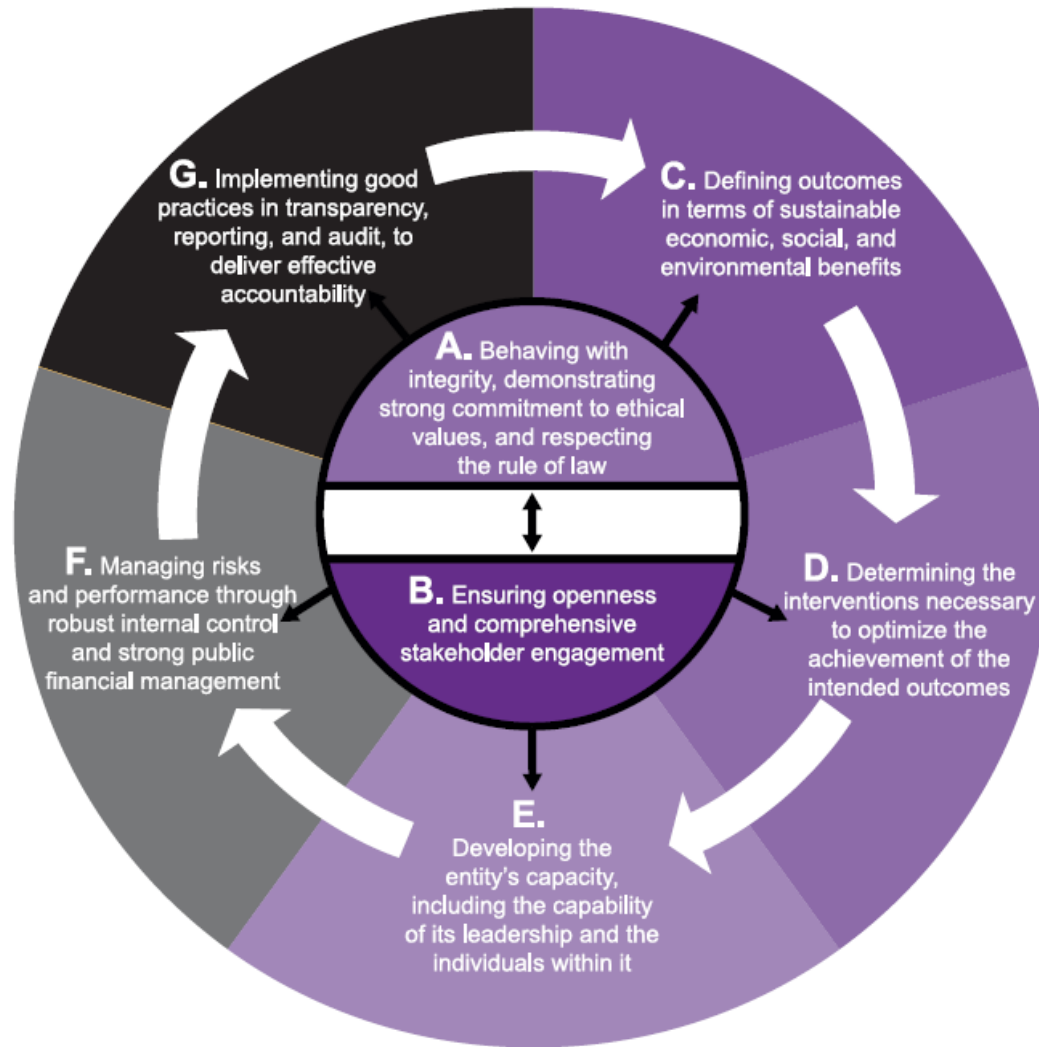
The Council reviews the effectiveness of its governance arrangements annually. The key sources of assurance that informs this review are:

- The work of the Corporate Governance, Audit and Standards Committee (CGAS), Members and Senior Officers of the Council who have responsibility for good governance, as set out above in the diagram showing the overview of the Council's corporate governance framework.
- A statement of assurance is obtained from Heads of Service to confirm the governance arrangements in place within their service and any actions to be included within the AGS.
- Risk management reports and the corporate risk register is maintained and scrutinised by Corporate Management Team (CMT) quarterly and subsequently communicated to CGAS and the Corporate Governance Group.
- The Audit Manager's update reports on the internal audit activity, which provides an independent assurance that Governance, Risk management and internal Control is in place and provides an opinion on the effectiveness of these arrangements.
- Half yearly updates to the CGAS Committee monitoring the work carried out towards the governance actions identified in the previous year's AGS.
- Any comments made by External Audit or other external reviews.
- Internal Corporate Governance Group provides assurance over the governance arrangements within the Council.

## **What are the key elements of RBC's Governance Framework?**

The Council aims to achieve good standards of governance by adhering to the seven core principles, detailed below, which form the basis of the Council's code of Corporate Governance:





The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

## PRINCIPLE A

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

Sub principles	Demonstrated by
<b>Behaving with integrity</b>	<ul style="list-style-type: none"> <li>• A code of conduct is in place for both Councillors and staff, both are contained within the Council’s constitution. The codes outline the ethical standards and behaviours to be adopted and observed by elected Members and officers to ensure that Council business is conducted with fairness and integrity. There are processes in place to ensure that Members and Officers are adequately trained in matters relating to the Constitution.</li> <li>• A Member Constitution review group is in place to assist and review the Constitution as and when required.</li> <li>• The Council also has in place various policies, procedures and guidance including HR policies, Anti-fraud, Acceptable Use of IT, Declarations of Interest, and Gifts and Hospitality. All colleagues are made aware of any new policies or changes and training is provided as necessary and the Council has commenced a programme to ensure policies are reviewed on an annual basis.</li> <li>• Specific legal and regulatory requirements and/or Standards and Codes of Practice are maintained by staff for Membership of relevant professional bodies, including continuing professional development.</li> <li>• Where necessary the Council collaborates with other professionals for advice and guidance. For example, the Council appointed external professional advice from solicitors to support the legal work around property and construction for regeneration of Aldershot and Farnborough town centre.</li> <li>• Records of Executive Decision to evidence delegated authority are maintained for Regeneration.</li> <li>• A register of Member interests is published on the Council’s website to ensure that any conflicts of interests are open and transparent. Furthermore, these are reviewed by the Corporate Governance Group on an ad hoc basis.</li> <li>• The Corporate Management Team has responsibility to ensure that decisions are made properly and that these are monitored by the Governance Group and Deputy Monitoring Officers.</li> <li>• Financial reports to relevant committees.</li> </ul>
<b>Demonstrating strong commitment to ethical values</b>	<ul style="list-style-type: none"> <li>• The Council has established a Governance Group, which includes the Monitoring Officer, Deputy Monitoring Officers, the Chief Financial Officer, the Assistant Chief Executive, IT Service Delivery Manager, the Information Governance Officer and the Audit Manager, to ensure that the Council works within its rules and that the necessary governance provisions are followed, and associated guidance, advice and training is provided.</li> <li>• The Council has adopted a Corporate Values and Behaviours Framework which sets out the attitudes and behaviours expected from staff. The four corporate values are Collaborate, Innovate, Brave and Integrity.</li> <li>• Procurement processes are currently being reviewed to be made more robust to ensure high quality suppliers are selected and value for money is obtained.</li> <li>• The Member Development Group maintains a programme for Member training and development and the Council has secured the Charter for Member Development, managed by South East Employers. Re-accreditation was achieved in March 2020. Furthermore, specific training has been provided by South East Employers to the Overview and Scrutiny Committee on effective scrutiny.</li> </ul>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 100</p>	<ul style="list-style-type: none"> <li>• Training has been provided to the Corporate Governance, Audit and Standards (CGAS) Committee to strengthen their focus. In addition to this an independent member has been appointed with an audit background to provide further support to the Committee and scrutiny of the Council’s governance arrangements.</li> <li>• Member training is provided for Members to support them in their roles, and they are encouraged to attend training including on Equality, Diversity and inclusion.</li> <li>• A Champion for Equality and Diversity has been appointed for Cabinet and Equality &amp; Diversity Action Plan has been put in place as an outcome from the peer review work.</li> </ul>
<p><b>Respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>• The Constitution sets out responsibilities within the Council. This is maintained by the Corporate Manager – Democracy together with the Governance Group, to ensure that the Council’s legal requirements are met, and the provisions are up to date. The last major review of the Constitution was carried out in 2019/20, and since then the Constitution has been updated on a regular basis as documents are reviewed and kept up to date. The Corporate Manager – Democracy maintains a schedule of updates made to the Constitution. During 2022/23 a Constitution Working Group considered a number of proposals for change to ensure that the Constitution continues to facilitate council business. On the recommendation of the CGAS Committee, the Council approved these changes and the adoption of a revised and updated Constitution in February 2023.</li> <li>• The Council has appointed the following officers as required: <ul style="list-style-type: none"> <li>- <b>The Head of Paid Service</b> (Chief Executive) – Overall accountability for the governance arrangements operating within the Council</li> <li>- <b>The Monitoring Officer</b> – Ensures decisions taken are within the law and the Council complies with the provisions of its Constitution.</li> <li>- <b>The Chief Financial Officer</b> – Principal finance adviser to the Council and is responsible for the proper administration of the Council’s financial affairs and financial control environment.</li> </ul> </li> <li>• The Council’s in-house legal service identifies and advises the Council on key elements of the law and their application. External legal advice is sought where necessary, for example, on specialist areas of law and high value matters.</li> <li>• The Council has commenced a programme to ensure compliance with all the mandatory publication requirements of the Local Government Transparency code. The Corporate Management Team own the elements of the code which are specific to their services while the Corporate Governance group have oversight.</li> <li>• The Corporate Health and Safety team collate breaches and liaise with appropriate partner organisations and authorities e.g. HSE</li> <li>• The Council is compliant with the governments Public Services Network (PSN) and the Council is working towards completing the implementation of a Cyber Security treatment plan in line with the 10 steps guidance from the National Cyber Security Centre (NCSC), with work to enhance ransomware defences, backup solutions, cloud delivery, identity management, business continuity and incident management for cyber security.</li> <li>• The Council has in place a specific Data Protection Officer and breaches are reported to the Information Commissioners Office (ICO) as appropriate.</li> </ul>

**PRINCIPLE B**  
**Ensuring openness and comprehensive stakeholder engagement**

Sub principles	Demonstrated by
<b>Openness</b>	<ul style="list-style-type: none"> <li>• The Council's policies and governance framework are published on the Council's website – this includes:               <ul style="list-style-type: none"> <li>– The Constitution</li> <li>– Agenda and reports for all meetings within the Council's decision-making framework</li> <li>– Cabinet work programme</li> <li>– Annual budget</li> <li>– Pay Policy and Gender Pay Gap Statements</li> <li>– Record of Executive Decisions</li> <li>– Information required under the Transparency Code</li> <li>– Annual Statement of Accounts</li> </ul> </li> <li>• The Council's 3-year business plan is published on the council's website along with the monitoring of the actions towards the plan.</li> <li>• The Council regularly carry out consultations on major policy initiatives which is conducted in an open way with all consultations available on the Council's website.</li> <li>• Equality position statement reinforces how we will publish information to demonstrate compliance with the equality duty.</li> <li>• The Council has an up-to-date Freedom of Information Act 2000 publication scheme in place on its website with links to information and guidance for stakeholders.</li> <li>• During 2022/23 the Council published 4 Arena magazines, to inform the community of the work and services carried out by the Council. However, due to the Council providing more of a digital offering in response to local appetite this will be reduced to 2 magazines being produced in the next financial year.</li> <li>• Contracts are managed with a partnership approach and decisions are made in an open and transparent way, including open book accounting processes.</li> </ul>
<b>Engaging comprehensively with institutional stakeholders</b>	<ul style="list-style-type: none"> <li>• The Council engages with institutional stakeholders on key aspects, for example the Council engaged with the Citizens Advice (CA) who produced a report on the cost of living in Rushmoor.</li> <li>• The Council regularly engages with other public services to a line our outcomes.</li> <li>• Regular informal consultation is undertaken with representatives of all public sector partners that have a presence or footprint within the Borough's area.</li> <li>• A statement of community involvement is published on the Council's website.</li> <li>• Formal and informal consultation is carried out with Members through a range of working groups.</li> </ul>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 102</p>	<ul style="list-style-type: none"> <li>• As part of delivering regeneration projects and better use of assets there are regular interactions with organisations such as Homes England, Hampshire County Council, Enterprise M3 LEP, Defence Estates and major local landowners and appropriate services within the Council.</li> <li>• The Council adopted the Local Plan 2014-2032 on the 21 February 2019, which involved participation from numerous stakeholders. Details are published on the Council’s website.</li> <li>• Local Enterprise Partnership (LEP) (Enterprise M3) – The Council has established good relationships and partnership arrangements as part of the involvement with the LEP.</li> <li>• A relationship management approach and system is in place. We now have an audit trail on contacts and have increased our levels of engagement through visits, meetings and working through partners. As part of the development of the Strategic Economic Framework strategic engagement to inform the framework was completed.</li> <li>• The Council supports the Prospect Estate Big Local (PEBL)</li> <li>• Re-negotiation of contracts based on open-book reviews for example on the Council's waste contract, which has regular involvement from the Portfolio Holder, the Cabinet and other elected members.</li> </ul>
<p><b>Engaging with individual citizens and service users effectively</b></p>	<ul style="list-style-type: none"> <li>• The Council has invested in a range of traditional, digital, and social media channels to enable regular contact, engagement, and consultation with its key stakeholder groups, including customer feedback surveys, workshops, consultation items on the Council’s website and regular citizen consultation on both Borough-wide and place specific issues. There has been extensive consultation for the regeneration function including direct mailshots, public exhibitions, group meetings and presentations.</li> <li>• The new Council’s website has been launched, which was informed by resident engagement and feedback on the old website.</li> <li>• We have effective arrangements in place to communicate and consult with relevant key stakeholders where appropriate and to fully consider/ use their feedback and/or complaints to help inform decisions. Furthermore, following a Peer Review the Council has established a process for undertaking regular citizen consultation on both Borough-wide and place specific issues.</li> <li>• The Council has actively engaged with the local community in the development of major regeneration projects across Aldershot (Union Yard) and Farnborough (Civic Quarter) via the Rushmoor Development Partnership through digital channels and drop-in sessions as part of the planning pre-application process.</li> <li>• Working with Ukrainian refugees who have arrived in the Borough since March 2022 to shape the offer of the Council to support the Homes for Ukraine scheme.</li> <li>• Business engagement – the council seeks to engage directly with local businesses to ensure that there is an understanding of local business needs. Underpinned by the aims and objectives of the council’s Strategic Economic Framework, this engagement includes bi-annual business surveys, quarterly business forums with businesses and membership of/ regular engagement with, business representative organisations such as the Federation of Small Businesses and Hampshire Chambers of Commerce. A monthly business newsletter has also been developed to engage with local businesses and to provide a consultation mechanism.</li> </ul>

- Through the development of the Rushmoor Cultural Strategy and in its enabling role in seeking to increase arts and cultural engagement in Rushmoor, the council also engages with arts organisations, creative practitioners and artists directly. This has included consultation on the Rushmoor Cultural Strategy itself.
- The Council has facilitated a cost of living workshop with key partners to understand the level of impact on residents, and identify where we can support and collectively make the biggest difference.
- The Community & Partnerships team have visited several warm hubs and food banks across the borough to talk to local people and organisers and see where can provide further support. In addition, we have shared cost of living information/where to get help on the website and provided leaflets and other information at local GP surgeries, libraries, and job centres.
- The Cost of living continues to be a regular agenda item for the Supporting Communities working group
- On 26<sup>th</sup> October 2021, a news article was published inviting residents to shape the future of Southwood Country Park starting a public consultation on the proposed refurbishments running until 12th November and further information was provided on the Rushmoor website alongside an online survey. There were also two drop-in sessions where residents could find out more about the proposals and chat to the team about the project. Finally, there have been regular updates on progress provided in the quarterly Arena publications and via online social media.
- In May 22, local families were invited to vote for their preferred playground design and provide input to a Southwood Country Park playground online survey. The results were used to determine the final design and planning submission.
- Examples of consultation exercises carried out during 2022/23 included:
  - Community Safety Survey 2023
  - Living in Rushmoor – Tell us what you think (2022 resident survey)
  - Housing and Homelessness Prevention Strategy 2022-2027
  - Redan Hill Gardens playground
- A scheme is in place within the Council's Constitution to have public participation at Member meeting. Therefore, meetings of the Council and its Committees are open to members of the public to attend, with agendas and minutes being publicly available on the Council's website.
- Principle Committee meetings are webcasted to engage with stakeholders via different mediums. Full Council is the only meeting which is not webcasted.

## PRINCIPLE C

### Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub principles	Demonstrated by
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 104</p> <p><b>Defining outcomes</b></p>	<ul style="list-style-type: none"> <li>• The Council's plan has been developed with a 10 year 'vision' and a 3-year rolling business plan with objectives to assist with the achievement of the vision. The plan is shown on the council's website along with the monitoring of the actions towards the plan, which is updated and published on a quarterly basis. The results of the Residents Survey 2021 were considered as part of the 'evidence base' for the Council Plan 2022-25. A Regeneration &amp; Major Projects Programme is established and aligns to the Council Plan.</li>   <li>• The Council plan draws upon key strategic documents which underpin the Council's work. The key strategies and plans are monitored, and performance reported to Cabinet on a half yearly basis. The key strategies and plans include:             <ul style="list-style-type: none"> <li>- Climate change action plan 2020-2030</li> <li>- Supporting communities strategy and action plan</li> <li>- Equality, diversity and inclusion action plan</li> <li>- The local plan</li> <li>- Strategic economic framework</li> <li>- Joint municipal waste strategy</li> <li>- Procurement strategy</li> <li>- The People Strategy</li> <li>- Green infrastructure strategy</li> <li>- Farnborough Town Centre strategy</li> </ul> </li>   <li>• Strategies and plans currently in development include:             <ul style="list-style-type: none"> <li>- Aldershot Town Centre Strategy</li> <li>- Communications and Engagement strategy</li> <li>- Customer, Digital &amp; Technology strategy</li> <li>- Car Parking Strategy</li> <li>- Cultural Strategy</li> <li>- Housing and Homelessness Strategy</li> <li>- UK Shared Prosperity Fund Investment Plan</li> </ul> </li>   <li>• To realise the delivery of the Council's priorities in line with the Council Plan the Council has developed a People Strategy which encourages the development of all our staff, ensuring that people are developed to realise their potential, that people are engaged and feel valued and supported, as well as the Council being an employer of choice. Underpinning these four themes are a number of outcomes which in turn leads to actions. These actions are reviewed and discussed every sixth months with the Transformation, Task and Finish Group. An example of these actions includes the development and launch of the Council's Values and Behaviours, a Service Manager Leadership Programme, supporting 13 apprentices to gain qualifications, encouraging regular feedback with the Engage 24/7 survey, launching a Menopause Framework for staff and encouraging more flexible working arrangements for staff as well as holding a Staff Showcase.</li> </ul>



	<ul style="list-style-type: none"> <li>• Following comprehensive resident and stakeholder consultation, the Council developed its priorities and measures of success with Members in a range of ways including discussions with individual portfolio holders, the Cabinet and the Policy and Project Advisory Board.</li> <li>• The Cost Reduction &amp; Efficiency Programme (CREP) was initiated to review significant expenditure across the Council's services with a view to making savings. It has since been subsumed by the Savings &amp; Transformation Programme (STP) and more recently the Outcomes Based Budgeting (OBB) approach was adopted to support the STP. A funding gap was identified, and to ensure a balanced budget for this financial year and the next an Outcomes Based Budgeting (OBB) approach was adopted. This was taken within a larger context of the Council's business plan. A governance framework to monitor the savings along with the Council's regular spend forecasts has been put into place and report regularly to the Corporate Management Team. In addition, section reporting on a risk-based approach will be included in the quarterly financial monitoring report to Cabinet.</li> <li>• Option appraisals are undertaken for all key decisions and are a standard part of the operations.</li> <li>• Governance arrangements have been clearly set out for Rushmoor Homes Limited (RHL). There is proper management of Board reporting and relationship with Council.</li> <li>• Service business plans are maintained and linked to the corporate plan to define the key areas for the service to deliver on within the year.</li> </ul>
<p><b>Sustainable economic, social and environmental benefits</b></p>	<ul style="list-style-type: none"> <li>• A template is in place for the Council's reports to Cabinet which require the consideration of business, Strategic, Economic, Legal, Financial and Equalities impact of the decisions being made and how decisions are to be made. All reports requiring executive decisions (except those exempt) are accessible via the Council's website. (<a href="#">Records of Executive Decisions</a>)</li> <li>• A PESTLE analysis was carried out in order to contribute to the 10-year Council vision and rolling 3-year plan. This looks at how external moves will impact on the Council's plans and objectives. The Council's Policy and Performance team monitors place and organisational data to support the work.</li> <li>• Service and Project risk registers are regularly updated. Where necessary service level risks are submitted for inclusion on the Corporate Risk Register. Discussion of the corporate risks, including new risks identified are discussed quarterly at CMT. Services update their risk registers monthly via the central record for risk registers.</li> <li>• The Council has adopted and implemented the Local Plan 2014-2032 (adopted 21 February 2019). Details are published on the Council's website. Consultation was undertaken, and a proactive role was undertaken to engage as many residents and stakeholders as possible. Feedback from the consultation informed the submission of the Local Plan. Social, environmental and economic evidence was obtained to inform the development of the Local plan. The Local Plan is the basis together with the National Planning Policy Framework and associated guidance of all development decisions and therefore all decisions are informed by the consultation and evidence at a strategic level and assessed as to how they meet these requirements based on the specific application.</li> <li>• In November 2020, members of the council's Cabinet approved the council's Climate Change Action Plan 2020-2030. There are more than 90 actions in the plan, which will be updated in 2023 and includes plans to <ul style="list-style-type: none"> <li>• increase recycling and reduce waste, including by introducing a weekly food waste collection service in 2021/22,</li> </ul> </li> </ul>

ahead of the anticipated national introduction.

- To look at how we make sure Aldershot and Farnborough town centre regeneration schemes include measures like energy efficient buildings, energy generation, and green transport
- To involve local people in our efforts, including through things like community gardens and helping people get more involved in their local neighbourhoods
- To make our own buildings more energy efficient, moving to green energy where possible, and to look at how our staff can work differently to reduce our impact on the environment

- Rushmoor Development Partnership

Through its business plan and site development plans the economic, social and environmental benefits of regeneration are quantified including:

- Placemaking – ensuring the that the developments proposed provide enhancements to the vitality of the local community and the physical environs.
- Sustainability – with the Climate Emergency declared by the Council the redevelopment of Farnborough town centre has been identified as offering the opportunity to display an exemplar approach to design, transportation and community facilities.
- Financial returns – developments are viable and deliverable while still achieving community support for transforming the town centres.
- Utilising external expertise – a partnership approach is taken to development making the most of the attributes of the respective partners in terms of risk, knowledge management, data assessment and communications. In addition, external advice has been sought to bolster officer capacity and expertise in deciding upon the best routes to deliver regeneration in terms of value for money.

## PRINCIPLE D

### Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub principles	Demonstrated by
<b>Determining interventions</b>	<ul style="list-style-type: none"> <li>• Arrangements are in place to ensure all options are considered before decisions are taken and service changes implemented. External / independent expertise is often used if the decision is of a complex technical nature. An example of this being the use of external experts for the Council's Union Yard Regeneration Project.</li> <li>• The Overview &amp; Scrutiny Committee considers the effective delivery of Council priorities and recommends interventions and remedies as appropriate.</li> <li>• Consideration of alternative courses of action for all decision making is undertaken.</li> <li>• The Corporate Governance Group consider legal/constitutional issues associated with decision making.</li> </ul>
<b>Planning interventions</b>	<ul style="list-style-type: none"> <li>• At service level, priorities and objectives are encouraged to be SMART and these are underpinned by plans and, for major projects, there is significant emphasis on effective project management. The Council is investing in additional project management resources to ensure this.</li> <li>• The Corporate Manager -Legal Services and the Principal Solicitors are engaged in wider discussions with client teams on options for resourcing larger legal projects and higher profile actions to ensure these are resourced as efficiently as possible e.g., making use of the EM Lawshare framework discounted rates; considering alternatives to prosecution; considering the terms of a Public Space Protection Order; resourcing and managing external legal support for the regeneration projects.</li> </ul>
<b>Optimising achievement of intended outcomes</b>	<ul style="list-style-type: none"> <li>• Arrangements are in place to monitor operational and financial plans, priorities, KPI's, quality and targets and to report on progress, e.g. quarterly monitoring, budget monitoring.</li> <li>• The Council has several key partnerships with other local authorities and stakeholders in order to optimise the achievement of the Council's corporate plan.</li> <li>• The Council has in place more significant arrangements for project development, both internally and through the Member decision making structure. This has been achieved through the revised Member structure to include the following: <ul style="list-style-type: none"> <li>- Corporate Governance, Audit and Standards (CGAS) Committee, with specific roles to ensure effective governance</li> <li>- The Property Investment Advisory Group (PIAG) provides early consideration of projects prior to submission to the Cabinet. This group is supported by LSHIM who provide market-based assessments of acquisition, disposal, and asset performance.</li> <li>- The Overview and Scrutiny Committee is undertaking both pre- and post-decision scrutiny on a range of issues and projects. Examples of work undertaken by the Committee during 22/23 include: <ul style="list-style-type: none"> <li>▪ Oversight of the economic and environmental impact of Farnborough Airport</li> </ul> </li> </ul> </li> </ul>

- An understanding of the condition of property in the Borough in relation to damp and mould and its impact on local living conditions
  - An in-depth analysis of the impact of the “cost of living crisis” on local residents
  - Scrutiny of the Council’s performance in managing its own property and assets
  - Oversight of the Council’s plan for the provision and maintenance of playgrounds and play equipment within the Borough
  - An analysis and understanding of customer contact to the Council and how this has changed post pandemic
- The Regeneration and Major Projects Programme Board provides the oversight and key input into the delivery of projects and meets 6-weekly. Each project within the defined programme has an established resource structure across a number of disciplines within the Council to ensure the right course of action is taken.
- The Rushmoor Development Partnership Board meets bi-monthly (every two months) to provide oversight and scrutiny of the projects being taken forward by the Joint Venture. The partnership is well governed by a partnership agreement, project plans and a decision-making structure culminating in a board made up of 50:50 public: private directors with reports to the Executive Director that are taken to Cabinet/Full Council as required.

## PRINCIPLE E

### Developing the entity's capacity, including the capability of its leadership and the individuals within it

Sub principles	Demonstrated by
<p><b>Developing the entity's capacity</b></p>	<ul style="list-style-type: none"> <li>• The Council, where possible, collaborates with other authorities to share information and best practice and third parties, e.g. Hampshire &amp; Isle of Wight Chief Executive group and subsequent groups.</li> <li>• CMT actively carry out reviews of their services and plans during the year.</li> <li>• The Council regularly makes use of 'benchmarking' exercises and other research to support corporate priorities and work.</li> <li>• The property and regeneration service has historically been reliant on consultants for support on specific projects and to fill vacancies on an interim basis. A new structure has been approved in order to strengthen the Council's capacity and resilience by developing internal employees and create more of a succession pipeline to assist recruitment and retention.</li> <li>• The People strategy includes four themes which encourages the development of Council staff, ensuring that people are developed to realise their potential, that people are engaged and feel valued and supported, as well as the Council being an employer of choice.</li> <li>• The Council engages external consultants when additional resources or specialist resources are required to ensure the effective delivery of its services or projects.</li> <li>• The Council regularly supports the attendance of both executive and non-executive councillors at the LGA leadership essential courses and weekender events across a number of topic areas including finance, climate change and equalities.</li> </ul>
<p><b>Developing the capability of the entity's leadership and other individuals</b></p> <p style="text-align: right; font-size: small;">Page 109</p>	<ul style="list-style-type: none"> <li>• Arrangements are in place to ensure staff have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and are able to update their knowledge on a continuing basis e.g., CPD through attendance at seminars/conferences, mandatory training courses via the Council's E-learning modules etc.</li> <li>• Development reviews are carried out annually. Within these reviews, training needs are identified and communicated to HR in order to ensure individuals are provided with the training they require for their role and identify any Council wide training which may be required.</li> <li>• The Council has engaged in 'learning at work week' encouraging all staff to participate.</li> <li>• The Council has adopted a Corporate Values and Behaviours Framework, which sets out the attitudes and behaviours expected from staff. The four corporate values are Collaborate, Innovate, Brave and Integrity.</li> <li>• The Council is providing leadership programmes and apprenticeship leadership programmes to support the continued professional development of staff. The Service Manager Leadership programme together with the senior team 360's, 121 coaching and development day are examples of leadership development, knowledge sharing whilst also strengthening collaboration. The annual development reviews and regular one to ones enable the Council to identify development and succession planning opportunities. The Council actively encourages the recruitment of apprentices and as well as promoting apprenticeship programmes to managers and staff. The Council is supporting 13 members of staff to gain apprenticeship qualifications.</li> <li>• Due to the Council working more commercially across services and the regeneration programme and other capital projects a wider range of skills was required which impacted on the required need from senior leaders and service managers. Therefore, the senior leadership team</li> </ul>

was reviewed. The Executive Leadership Team (ELT) was broadened to provide a renewed focus on the Council's priorities at an Executive level and the Corporate Management Team (CMT) was broadened to include existing managers to contribute to the leadership of the organisation and improve the diversity of input to corporate decision making.

- The Council has introduced an Employee Assistance Programme to support health and wellbeing. Training courses are also offered for example a recent mental health awareness course through the Council's Occupational Health provider. Wellbeing weeks have also been introduced encouraging staff to participate, which have included a lunch time walk, a Menopause seminar and a choir session.
- Yammer has been introduced to encourage staff communication, promote Council initiatives, knowledge sharing and staff activities and information.
- The Council's constitution defines the statutory and distinctive roles of the Leader and other Councillors and sets out to whom decision making powers are delegated.
- The Member Development Group maintains a programme for Member training and development and the Council has secured the Charter for Member Development, managed by South East Employers. Re-accreditation was achieved in March 2020. Furthermore, specific training has been provided by South East Employers to the Overview and Scrutiny Committee on effective scrutiny.
- The Council has a Corporate Governance, Audit & Standards Committee to provide a focus on all matters around corporate governance. The Committee has an independent member to assist with their roles and responsibilities as Members of CGAS.
- The Council subscribes to relevant professional bodies e.g., CIPFA publications

## PRINCIPLE F

### Managing risks and performance through robust internal control and strong public financial management

Sub principles	Demonstrated by
<b>Managing risk</b>	<ul style="list-style-type: none"> <li>• The Risk management policy has been embedded over 2021/22 and 2022/23. Work will continue to ensure the risk management process is further embedded within the Council. Cabinet receives quarterly reports covering both performance and risk. Heads of Service update their relevant service risk registers monthly and record these on a central database. Any service risks which are appropriate for the corporate risk register are escalated to the Corporate Management Team (CMT) for further review and consideration. Bi-monthly the risk registers are reviewed by CMT.</li> <li>• Where risks materialise the risk register is updated or processes to respond to the risk are updated following lessons learnt.</li> <li>• Furthermore, risks are more specifically considered within activities and decision-making reports taken to Cabinet.</li> <li>• The Council takes into account risks that could impact on the Medium-Term Financial Strategy, using scenario planning to understand potential impacts. The Council maintains a General Fund balance to £2m, together with a number of reserves to manage financial risk.</li> <li>• Service and Project risk registers are managed and updated regularly. Risk registers for all major capital projects are presented as part of the Regeneration, Property and Major Works Board.</li> <li>• Internal Audit provides a risk-based audit plan and reports on the effectiveness of risk management to the Corporate Governance, Audit and Standards (CGAS) Committee.</li> <li>• In recent years pressure has been placed on the County Council, and some of this pressure has flowed through to Districts. This poses some risks at a social level and within the budgets for the Council.</li> <li>• An exercise was carried out in September 2022 to test the Council's Emergency response plan. The findings found that overall, the exercise was well managed, some recommendations were made to further enhance the response plan. The plan will be updated to reflect the recommendations made. A workshop was also carried out in October 2022 to review the Council's business continuity plan.</li> <li>• IT Disaster Recover business continuity service/ plans have been reviewed and updated – the work was linked to the DLUHC cyber security treatment plan 2021/22 – 2022/23.</li> <li>• A new Cyber Security Stance was presented to the Corporate Management Team (Oct 2021), setting out the threat of cybercrime, the councils technology stance, work plans and mitigations. In addition, all staff attended a specific 'phishing' training and awareness session. IT follows End User Device (EUD) guidance issued by National Cyber Security Centre (NCSC) when implementing security solutions and endpoint operating systems. Council IT infrastructure is audited annually, and results passed to NCSC for review and further guidance on actions to take to maintain compliance (including annual PSN assessment). Recently the Council has been awarded funding from the DLUHC to improve its Cyber Security arrangements. A new cyber security programme has been established and the next steps are to develop the Cyber Incident Response Plan and test it. A recent internal cyber audit was conducted along with a LGA 360 Peer Review. The recommendations of both have recently been received and are being reviewed and adopted where appropriate. Priorities include a review of the Councils supply chain, security policy refresh, further cyber awareness training, cloud strategy development and assessment of the governments new cyber assessment framework.</li> </ul>



<p style="text-align: center;"><b>Managing performance</b></p>	<ul style="list-style-type: none"> <li>• Effective performance, financial and risk management arrangements are an integral part of all business activities, examples include: <ul style="list-style-type: none"> <li>- Option appraisals/ risk assessment</li> <li>- Day to day business / performance / service business planning arrangements/ quarterly reporting</li> <li>- Projects and programme management</li> <li>- Contractual and third-party arrangements (including shared risks)</li> <li>- Business continuity plans are in place, tested and communicated to staff as necessary</li> </ul> </li> <li>• The Council's management ensures day-to-day performance management is normal as part of the culture and through the Council's management teams there is a culture of robust challenge in place for all key decisions.</li> <li>• The creation and publication of the Council's 3-year business plan for 2022-25. The plan is published on the council's website along with the monitoring of the actions.</li> <li>• The Council has in place an Overview and Scrutiny Committee to encourage debate on policies, objectives and outcomes before, during and after decisions are made. They also review the quarterly monitoring of the Council plan.</li> </ul>
<p style="text-align: center;"><b>Robust internal control</b></p>	<ul style="list-style-type: none"> <li>• All Rushmoor staff are responsible to some degree in the management of risk and adherence to internal controls in their day-to-day activities, from front line staff to Heads of Service (HoS), Executive Directors and the Chief Executive. Employees consider what might go wrong and take steps to reduce the likelihood or impact if it does by the use of internal controls.</li> <li>• Internal Audit provides an annual opinion on the effectiveness of the Council's governance, risk management and internal control environment. This assurance is obtained from involvement with relevant governance, risk management and internal review groups and outcomes from audit reviews carried out within the year. Details of these reviews and the annual opinion are reported to ELT and the CGAS Committee.</li> <li>• The Council, through the Audit and Investigation Team investigate potential fraud, corruption and maladministration and provide effective counter fraud arrangements within the Council.</li> <li>• The Council carries out relevant external compliance checks e.g., Fire, safety checks and Covid 19 measures.</li> </ul>
<p style="text-align: center;"><b>Managing data</b></p>	<ul style="list-style-type: none"> <li>• Effective arrangements are in place for the safe collection, storage, use and sharing of data with other bodies, including processes to safeguard personal data in line with GDPR requirements.</li> <li>• An information Governance Officer is in place and work is currently underway to update the Council's Information Security policies.</li> <li>• Effective arrangements are in place for the disposal, storage of legacy IT equipment. All hard disk-based systems are erased to HMG Infosec Standard 5 prior to disposal using accredited partners. IT equipment is stored in a locked storeroom when not in use\awaiting disposal.</li> <li>• Information governance and data security e-learning modules are mandatory for all staff and Members on how to manage Council data.</li> <li>• Data breach logs are in place to record and enable review of breaches to ensure lessons are learnt and relevant action taken to prevent further breaches.</li> <li>• Data validation is an ongoing process and there are a number of year-end validation processes carried out particularly around the financial systems. In the past year, a new property system, Concerto, has been implemented, and a data validation exercise has been carried out to ensure that the data within the system is relevant, up to date and correct.</li> <li>• The Finance Manager (deputy S151 officer) is member of Information Governance Group and the Council's SIRO</li> </ul>

**Strong public  
financial  
management**

- There are effective mechanisms in place for financial planning, budgetary control and reporting, including the management of financial risk.
- External Audit review and report on the Council's financial statements providing an opinion on the accounts.
- The Council is developing its programme to ensure compliance with the CIPFA Financial Management Code.

## PRINCIPLE G

### Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub principles	Demonstrated by
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 114</p> <p><b>Implementing good practice in transparency</b></p>	<ul style="list-style-type: none"> <li>• Agendas and minutes of Committee meetings are publicly available on the Council's website.</li> <li>• An Overview and Scrutiny Committee is in place to monitor and review performance, review and/or scrutinise decisions proposed to be made, review policy and strategy with a view to securing continuous improvement.</li> <li>• The Council has commenced a programme to ensure compliance with all the mandatory publication requirements of the code. The Corporate Management Team own the elements of the code which are specific to their services while the Corporate Governance group have oversight.</li> <li>• On the Council's website there is a Freedom of Information Act page to enable members of the public to have access to all recorded information held by the Council.</li> <li>• Committee meetings, where possible, are open to the public for contribution and attendance.</li> <li>• Decisions are recorded and published on the Council's website.</li> <li>• The Council seeks peer reviews in line with the risk framework and implements recommendations made to strengthen the Governance, Risk and control environment.</li> </ul>
<p><b>Implementing good practices in reporting</b></p>	<ul style="list-style-type: none"> <li>• The Annual Statement of Accounts is published on the Council's website to give clear information on the income and expenditure of the Council.</li> <li>• The Council publishes an Annual Governance Statement in order to report how we have monitored the effectiveness of our governance arrangements in the year and any planned changes in the coming year.</li> <li>• The CGAS Committee reviews and approves the Annual Statement of Accounts and the Annual Governance Statement.</li> <li>• Performance is reported quarterly on a range of indicators, comparing some items with other Local Authorities and public sector bodies. A new performance management framework has been established for use by both Members and Officers. Performance progress is regularly reported on and communicated at Cabinet on a quarterly basis.</li> <li>• Reporting arrangements for RDP/Housing Company have been put in place. Regular update seminar through the Policy and Projects Advisory Board. Formal monitoring reports are provided every six months to the Council's shareholder and the Chief Executive. The Chief Executive will enable consideration of these reports by the Council's Overview and Scrutiny Committee on progress and the CGAS Committee on any governance matters.</li> </ul>
<p><b>Assurance and effective accountability</b></p>	<ul style="list-style-type: none"> <li>• The terms of reference and working arrangements of the CGAS Committee focus on ensuring transparency and effective audit of processes. Furthermore, an independent member has been appointed with specialist skills in audit to assist with the CGAS Committee.</li> <li>• There are arrangements in place for ensuring all agreed actions from peer reviews, internal audit, external audit, or other inspectorate work are implemented by Management. Work continues towards implement the actions from the peer review.</li> <li>• Risk based internal auditing provides ongoing assurance that the key risks are being managed.</li> <li>• A review and subsequent update of the Constitution has recently been carried out and reported to Council for adoption.</li> </ul>

## How has the Council addressed the governance improvement actions from 2021/22 AGS?

The Annual Governance Statement 2021/22 contained the following key improvement actions. Updates have been provided throughout the year to the Corporate Governance, Audit and Standards Committee. Details of the latest update, on actions previously not reported as completed at the September Committee, are detailed below. Where actions are ongoing these will be carried forward into the 2023/24 Action plan.

Governance Issue	Action	Current status
Compliance with the CIPFA Financial Management Code	The Executive Head of Finance will undertake an assessment of the Council's compliance with the CIPFA Financial Management Code during Q3 2021 and prepare an Action Plan on matters or areas for improvement. These will be included in subsequent reports to the Corporate Governance, Audit and Standards committee as part of the update on the Annual Governance Statement Action Plan.	<p>The Deputy S151 undertook a review, the Interim Executive Head of Finance further reviewed as part of Letter of Representation.</p> <p>A continual review of updates is now in place.</p> <p><b>COMPLETED</b></p>
External Audit have yet to provide an opinion for the 2019/20 accounts.	The Executive Head of Finance will ensure that the necessary information is provided to the external auditors to enable them to finalise their opinion on the 2019/20 accounts.	<p>The external auditors provided a clean audit opinion in March 2023, the accounts have now been signed.</p> <p>Plans for the audit for 2020/21 starting in June 2023 have been agreed.</p> <p><b>COMPLETED</b></p>
Office 365 governance set-up <i>(Information Governance Officer and IT Services Delivery Manager)</i>	<p>The main aim of this to ensure that the Council's data is protected, retained and handled appropriately. When Office365 was implemented across RBC governance policies were not developed and applied which needs rectifying.</p> <p>Currently engaging with Silversands to provision a set of activities for a Data Protection Pilot to help focus on how to control sharing of a sample data set stored in Office365, assisting in the definition of internal policies providing technical advice and design of technical controls to implement agreed</p>	<p>The work started with Silversands in September 2022 with the pilot going live in March 2023. The pilot focus was on data loss prevention with document labelling as RBC has become a subscriber to LG Inform Plus, and adopted the LG Inform Plus Records Retention schedule. The pilot has just come to an end with the service area (HR and payroll). IG and IT are to have a follow up meeting with Silversands and discuss moving beyond the pilot. There will need to be further wider discussions about how to implement and roll out the document labelling functionality within Office365 council wide. This will need to be planned around other projects that IT will be supporting as there will need to</p>

	<p>policies. In addition to provision a set of activities for an Information Governance Pilot that will help to focus on retention requirements for a sample data set from the pilot department which will assist in the development of a corporate retention policy and to map this policy to technical controls available in Office365.</p> <p>Outcomes of these pilots can then be assessed and applied across the rest of RBC, if agreed.</p>	<p>be training delivered on the functionality, possible ongoing support.</p> <p><b>PROGRESSING</b></p>
<p>Ensuring comprehensive compliance around cyber security in line with the guidelines provided by the National Cyber Security Centre.</p> <p><i>(Head of IT)</i></p>	<p>Enhancing our Cyber security Strategy and formalisation of a cyber security action plan. This is being actioned by the Cyber Security Treatment Plan.</p>	<p>2023 PSN compliance achieved. DLUHC treatment plan, part 2 to be completed by Sept 2023. LGA Peer Review* – complete Internal audit – complete, 'Reasonable Assurance' Members briefings – complete Priorities from cyber security plan 2023/24;</p> <ul style="list-style-type: none"> <li>• Cyber supply chain review*</li> <li>• Cyber Incident Response Plan*</li> <li>• NCSC Cyber Security Framework – continued implementation</li> <li>• Training &amp; awareness &amp; policy refresh</li> </ul> <p><b>PROGRESSING</b></p>
<p>Implementing a Capital Strategy to comply with the revised Prudential Code and the Treasury Management Code of Practice <i>(b/f from previous year)</i></p>	<p>Finalise development of the Asset Management Strategy which supports the approved annual Capital Strategy.</p>	<p>The Asset Management Plan was agreed by Cabinet in March 2023. Further work to ensure we are meeting our requirements under the transparency regulations will be undertaken in 2023/24.</p> <p><b>COMPLETED</b></p>
<p>Ensuring compliance with the mandatory elements of the Local Government Transparency Code</p>	<p>Relevant services to carry out the necessary work to ensure that the mandatory elements of the transparency code are appropriately published as required. The Corporate Governance Group will have oversight to ensure that this is implemented.</p>	<p>Process for achieving this has now been agreed and will be implemented in 2023/24. This will include monitoring and reporting on compliance with the Transparency Code.</p> <p><b>PROGRESSING</b></p>

## Governance issues identified for 2022/23

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2023/24, excluding the actions carried forward from 2022/23 as detailed above. The progress against these actions will be reviewed by the Corporate Governance Group and regularly reported to the Corporate Governance, Audit and Standards Committee.

Governance Issue	Action	Target date	Lead Officer
External Audit to complete work and sign off 2020/21 and 2021/22 accounts.	The Interim Executive Head of Finance will ensure that the necessary information is provided to the external auditors to enable them to finalise their opinion for the 2020/21 and 2021/22 accounts.	2020/21 – To be finalised by the end of the financial year  2021/22 – preparation work to be underway this financial year.	Simon Little, Interim Executive Head of Finance and S151 Officer
Lack of robustness for the response to FOI requests resulting in the ICO judging against the Council due to lack of prompt response rather than the actual decision made not to provide certain information.	Check if automated processes can be introduced and alerts to Service Managers/Heads of Service to avoid missing statutory deadlines.  Review the current system for logging FOIs and check whether it can be more robust (assuming no additional budget for 2023/2024)	October 2023	Sophie Thorp, Corporate Manager – Legal Services
Ensure appropriate documentation is held within the Council for surveillance work.	Liaise with Service Managers and Heads of Service to ensure compliance with Regulation of Investigatory Powers Act (RIPA) or non-RIPA surveillance activities, carried out across the Council.  Check documentation is correctly filled out and submitted by Service Teams to RIPA Coordinator (within Legal), as required by legislation.	September 2023	Sophie Thorp, Corporate Manager – Legal Services
Ensure that all mandatory and statutory training for Elected Members and all staff is undertaken in a timely manner and regularly reviewed to ensure that it is maintained and up to date.	Elected Member induction training programmes will be provided during the first year of a new Member's office to ensure all basic induction training is undertaken and specific training is tailored according to the Members designated roles and identified needs.  Established Members needs will be assessed will be reviewed and provided as required.	From election in May 23 – and by 30 <sup>th</sup> Sept 23  Ongoing	Corporate Manager – Democracy  Corporate Manager – Democracy, in liaison with Member Development Group and Corporate Governance Group

	<p>Staff annual mandatory training will be facilitated by the People Team who will record completion rates and report to CMT. Any further compliance actions required will be the responsibility of CMT members to address.</p>	<p>Individuals will complete training no later than annually from their start of service – regular reporting to CMT will commence from June 23 onwards.</p>	<p>Enabled by Corporate Manager, People and performance managed and overseen by CMT</p>
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## Certification

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas highlighted on page 29 above. We propose over the coming year to take steps to address the above matters identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Signed:

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**David Clifford**  
**Leader of the Council**

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**Paul Shackley**  
**Chief Executive**

Date: **??/??/2023**

**??/??/2023**

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# Local Code of Corporate Governance

## Introduction

Rushmoor Borough Council recognises the importance of effective corporate governance so that local communities can place trust in the way that the Council undertakes and carries out its duties. This document sets out the Council's commitment to corporate governance and identifies the arrangements to ensure its effective implementation and application in all aspects of the Council's work.

## What is Corporate Governance?

Rushmoor Borough Council has accepted the definition of Governance as stated within the CIPFA/ SOLACE Framework,

*'Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.'*

*To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entities objectives while acting in the public interest at all times.*

*Acting in the public interest implies primary consideration of the benefits for society which should result in positive outcomes for service users and other stakeholders'.*

## Core Principles

Rushmoor Borough Council is committed to applying the seven core principles of good governance set out in the CIPFA/ SOLACE framework, which are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

This code identifies the actions and behaviours taken by the Council in relation to each of these core principles and associated sub principles. The details are set out in Appendix A and the relevant evidence is detailed within Appendix B.

## Appendix A

### Principle A

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

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principles	Council actions and behaviours
Behaving with integrity	<ul style="list-style-type: none"> <li>• Ensure that Members and Officer behave with integrity and lead a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the Council.</li> <li>• Ensure that Members take the lead in establishing specific standard operating principles or values for the Council and its staff and that they are communicated and understood. They will build on the Seven Principles of Public Life (The Nolan Principles)</li> <li>• Lead by example and use these standard operating principles or values as a framework for decision making and other actions</li> <li>• Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which will be reviewed on a regular basis to ensure they are operating effectively.</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• Seek to establish, monitor and maintain the Council's ethical standards and performance</li> <li>• Underpin personal behaviour with ethical values and ensure they permeate all aspects of the Council's culture and operation</li> <li>• Develop and maintain robust policies and procedures which place emphasis on agreed ethical values</li> <li>• Ensure that external providers of services on behalf of the Council are required to act with integrity and in compliance with ethical standards expected by the Council.</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>• Ensure Members and Officers demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</li> <li>• Create the conditions to ensure that the statutory officers, other key post holders, and Members are able to fulfil their responsibilities in accordance with legislative and regulatory provisions</li> <li>• Strive to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</li> <li>• Deal with breaches of legal and regulatory provisions effectively</li> <li>• Ensure corruption and misuse of power is dealt with effectively.</li> </ul>

## Principle B

### Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub Principles	Council actions and behaviours
Openness	<ul style="list-style-type: none"> <li>• Ensure an open culture through demonstrating, documenting and communicating the Council's commitment to openness</li> <li>• Make decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption will be for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential will be provided.</li> <li>• Provide clear reasoning and evidence for decisions in both public records and explanations to stakeholders and will be explicit about the criteria, rationale and considerations used. In due course, the Council will ensure that the impact and consequence of those decisions are clear</li> <li>• Use formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.</li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• Effectively engage with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>• Develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>• Ensure that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.</li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• Establish a clear policy on the type of issues that the Council will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</li> <li>• Ensure that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement</li> <li>• Encourage, collect and evaluate the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</li> <li>• Implement effective feedback mechanisms in order to demonstrate how their views have been taken into account</li> <li>• Balance feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</li> <li>• Take account of the interests of future generations of tax payers and service users.</li> </ul>

## Principle C

### Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for finite resources available.

Sub Principles	Council actions and behaviours
Defining outcomes	<ul style="list-style-type: none"> <li>• Have a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the Council's overall strategy, planning and other decisions</li> <li>• Specify the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>• Deliver defined outcomes on a sustainable basis within the resources that will be available</li> <li>• Identify and manage risks to the achievement of outcomes</li> <li>• Manage service users' expectations effectively with regard to determining priorities and making the best use of the resources available.</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• Consider and balance the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</li> <li>• Take a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the Council's intended outcomes and short-term factors such as the political cycle or financial constraints</li> <li>• Determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</li> <li>• Ensure fair access to services.</li> </ul>



## Principle D

### Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Sub Principles	Council actions and behaviours
Determining interventions	<ul style="list-style-type: none"> <li>• Ensure decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided</li> <li>• Consider feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land, and assets and bearing in mind future impacts.</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• Establish and implement robust planning and control cycles that cover strategic and operational plans, priorities and targets</li> <li>• Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> <li>• Consider and monitor risks facing each partner when working collaboratively including shared risks</li> <li>• Ensure arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</li> <li>• Establish appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</li> <li>• Ensure capacity exists to generate the information required to review service quality regularly</li> <li>• Prepare budgets in accordance with organisational objectives, strategies and the medium term financial plan</li> <li>• Inform medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</li> </ul>
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Ensure the medium term financial plan integrates and balances service priorities, affordability and other resource constraints</li> <li>• Ensure the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</li> <li>• Ensure the medium term financial plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</li> <li>• Ensure the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes".</li> </ul>

## Principle E

### Developing the Council's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principles	Council actions and behaviours
Developing the Council's capacity	<ul style="list-style-type: none"> <li>• Review operations, performance use of assets on a regular basis to ensure their continuing effectiveness</li> <li>• Improve resources use through appropriate application of techniques such as benchmarking and other options to determine how the Council's resources are allocated so that outcomes are achieved effectively and efficiently</li> <li>• Recognise the benefits of partnership and collaborative working where added value can be achieved</li> <li>• Develop and maintain an effective workforce plan to enhance the strategic allocation of resources</li> </ul>
Developing the capability of the Council's leadership and other individuals	<ul style="list-style-type: none"> <li>• Develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>• Publish a statement that specifies the type of decisions that are delegated and those reserved for the collective decision making of the governing body</li> <li>• Ensure the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority</li> <li>• Develop the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risk by:               <ul style="list-style-type: none"> <li>- ensuring Members and Officers have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</li> <li>- ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</li> <li>- ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</li> </ul> </li> <li>• Ensure that there are structures in place to encourage public participation</li> <li>• Take steps to consider the leadership's own effectiveness and ensure leaders are open to constructive feedback from peer review and inspections</li> <li>• Hold staff to account through regular performance reviews which take account of training or development needs</li> </ul>

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|  | <ul style="list-style-type: none"><li>• Ensure arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</li></ul> |
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## Principle F

### Managing risks and performance through robust internal control and strong public financial management

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Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub Principles	Council actions and behaviours
Managing risk	<ul style="list-style-type: none"> <li>• Recognise that risk management is an integral part of all activities and must be considered in all aspects of decision making</li> <li>• Implement robust and integrated risk management arrangements and ensure that they are working effectively</li> <li>• Ensure that responsibilities for managing individual risks are clearly allocated.</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>• Monitor service delivery effectively including planning, specification, execution and independent post implementation review</li> <li>• Make decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the Council's financial, social and environmental position and outlook</li> <li>• Ensure an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the Council's performance and that of any organisation for which it is responsible</li> <li>• Provide Members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</li> <li>• Ensure there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</li> </ul>
Robust internal control	<ul style="list-style-type: none"> <li>• Align the risk management strategy and policies on internal control with achieving objectives</li> <li>• Evaluate and monitor the Council's risk management and internal control arrangements on a regular basis</li> <li>• Ensure effective counter fraud and anti-corruption arrangements are in place</li> <li>• Ensure additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the Audit Manager</li> <li>• Ensure and Corporate Governance, Audit and Standards Committee, which is independent of the executive and accountable to the Council: <ul style="list-style-type: none"> <li>- Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</li> <li>- That its recommendations are listened to and acted upon.</li> </ul> </li> </ul>
Managing data	<ul style="list-style-type: none"> <li>• Ensure effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</li> <li>• Ensure effective arrangements are in place and operating effectively when sharing data with other bodies</li> <li>• Review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
Strong public financial	<ul style="list-style-type: none"> <li>• Ensure financial management supports both long term achievement of outcomes and short term financial and operational performance</li> </ul>

- Ensure well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub Principle	
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• Write and communicate reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience ensuring that they are easy to access and interrogate</li> <li>• Strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• Report at least annually on performance, value for money and the stewardship of the Council's resources.</li> <li>• Ensure Members and senior management own the results</li> <li>• Ensure robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publish the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement – AGS)</li> <li>• Ensure that the Framework is applied to jointly managed or shared service organisations as appropriate</li> <li>• Ensure the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</li> </ul>
Assurance and effective accountability	<ul style="list-style-type: none"> <li>• Ensure that recommendations for corrective action made by external audit are acted upon</li> <li>• Ensure an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and that recommendations are acted upon</li> <li>• Welcome peer challenge, reviews and inspections from regulatory bodies and implement recommendations</li> <li>• Gain assurance on risks associated with delivering services through third parties and evidence this in the annual governance statement</li> <li>• Ensure that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.</li> </ul>

## Appendix B

'The International Framework: Good Governance in the Public Sector' defines 'governance' as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework also states that to deliver good governance in the public sector both governing bodies and individuals working for them must try to achieve the Council's objectives while acting in the public interest at all times.

Core Principles	(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	(B) Ensuring openness and comprehensive stakeholder engagement	(C) Defining outcomes in terms of sustainable economic, social and environmental benefits	(D) Determining the interventions necessary to optimise the achievement of the intended outcomes	(E) Developing the Council's capacity of its leadership and the individuals within it	(F) Managing risks and performance through robust internal control and strong public financial management	(G) Implementing good practice in transparency, reporting, and audit to deliver effective accountability
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 131 of 131</p>	<p><a href="#">The Constitution</a></p> <p><a href="#">Whistleblowing policy</a></p> <p><a href="#">Anti-money laundering policy</a></p> <p><a href="#">Anti-fraud, bribery and corruption policy</a> – (Part 5 of the Constitution section 10)</p> <p><a href="#">Member Code of Conduct</a> – (Part 5 of the Constitution section 1)</p> <p><a href="#">Officer Code of Conduct</a> – (Part 5 of the Constitution section 8)</p> <p><a href="#">Gifts and Hospitality policy</a></p> <p>Statutory Officer Roles – Head of Paid services (Chief Executive), Chief Financial Officer (S151), Monitoring Officer and Data Protection Officer.</p> <p><a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10)</p> <p><a href="#">Financial Regulations</a> – (Part 4 of the Constitution section 9)</p> <p><a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 &amp; 4)</p>	<p><a href="#">Council website</a></p> <p><a href="#">Council Plan and monitoring</a></p> <p><a href="#">Freedom of Information</a></p> <p><a href="#">Public consultations</a></p> <p><a href="#">Committee meetings – Agenda &amp; Minutes</a></p> <p><a href="#">Records of Executive Decisions</a></p> <p><a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 &amp; 4)</p> <p><a href="#">Annual statement of Accounts and Annual Governance Statement</a></p> <p><a href="#">Open data/ Transparency Code</a></p> <p><a href="#">Local Plan</a></p> <p>Arena Magazine</p> <p>Strategic Economic framework</p>	<p><a href="#">Council Plan and monitoring</a></p> <p><a href="#">Committee meetings – Agenda &amp; minutes</a></p> <p>Service business plans</p> <p><a href="#">Financial/ capital programme reporting</a></p> <p><a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 &amp; 4)</p> <p><a href="#">Records of Executive Decisions</a></p> <p><a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10)</p> <p><a href="#">Local Plan</a></p> <p>CREP/Savings Transformation Programme (STP)</p> <p>People Strategy</p> <p>Corporate and Service Risk Registers</p>	<p><a href="#">Council Plan and monitoring</a></p> <p><a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 &amp; 4)</p> <p><a href="#">Medium Term Financial Strategy</a></p> <p><a href="#">Committee meetings – Agenda &amp; Minutes</a></p> <p>Service business plans</p> <p>PIAG</p> <p><a href="#">Overview and Scrutiny Committee</a></p> <p>Union Yard Project group</p> <p>Property, Major works and Regeneration Programme Board</p>	<p><a href="#">The Constitution</a></p> <p><a href="#">Decision Making/ Schemes of Delegations</a> – (Part 3 of the Constitution section 3 &amp; 4)</p> <p>Development reviews – highlighting any training needs for employees.</p> <p>Member development</p> <p>Member and employee induction programmes</p> <p>Council wide training e.g. Health and Safety, Data Protection</p> <p>Staff development including, Action Learning sets, Apprenticeships, and Leadership and management development</p> <p><a href="#">Peer review – Corporate and Service reviews</a></p> <p>HR policies and wellbeing promotion</p>	<p><a href="#">The Constitution</a></p> <p><a href="#">Corporate Governance, Audit &amp; Standards Committee</a></p> <p><a href="#">Financial Regulations</a> – (Part 4 of the Constitution section 9)</p> <p><a href="#">Contract Standing Orders</a> – (Part 4 of the Constitution section 10)</p> <p>Information Governance Group</p> <p>Corporate Governance Group</p> <p><a href="#">Risk based audits</a></p> <p><a href="#">Annual Audit Opinion</a></p> <p><a href="#">External Audit of Accounts</a></p> <p><a href="#">Overview &amp; Scrutiny – Agenda &amp; Minutes</a></p> <p><a href="#">Annual Governance Statement</a></p> <p><a href="#">Budget monitoring reports</a></p> <p><a href="#">Anti-fraud, bribery and corruption policy</a> – (Part 5 of the Constitution section 10)</p> <p><a href="#">Anti-money laundering policy</a></p> <p><a href="#">Whistleblowing policy</a></p>	<p><a href="#">Council website</a></p> <p><a href="#">Council plan and monitoring</a></p> <p><a href="#">Annual Statement of Accounts and Annual Governance Statement</a></p> <p><a href="#">Open data/ Transparency Code</a></p> <p><a href="#">Freedom of Information</a></p> <p><a href="#">Annual Audit Opinion</a></p> <p><a href="#">Audit update reports</a></p> <p><a href="#">Corporate Governance, Audit &amp; Standards Committee</a></p> <p><a href="#">Peer review</a></p> <p><a href="#">External Audits</a></p>

[Member interests register \(shown against each Councillor\)](#)  
Council corporate values  
Corporate Governance group

[Climate Change Action plan](#)

Corporate and Service Risk Registers  
PSN compliance and Cyber Security treatment plan



**CORPORATE GOVERNANCE, AUDIT  
AND STANDARDS COMMITTEE**

1 June 2023

**COUNCILLOR CANTY  
LEGAL SERVICES  
PORTFOLIO HOLDER  
REPORT NO. LEG2002**

**KEY DECISION? YES/NO**

**CORPORATE POLICY AND GUIDANCE ON SURVEILLANCE AND THE USE OF  
THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:**

A review of the Council's corporate policy on the use of covert investigatory techniques including surveillance within and outside the scope of the Regulation of Investigatory Powers Act 2000 (RIPA) has been undertaken to ensure that it is robust and up to date.

**RECOMMENDATION:** The Corporate Governance, Audit and Standards Committee is recommended to approve the corporate Surveillance and RIPA policy at Appendix 1 and proposed amendments at Appendix A.

**1. INTRODUCTION**

- 1.1 Most of the surveillance carried out by the Council will be done overtly, there will be nothing secretive about it. In many cases, officers will be going about Council business openly.
- 1.2 The Council's corporate policy on the use of covert techniques under RIPA should be reviewed on a regular basis. The powers under RIPA are used infrequently (if at all some years).
- 1.3 The Investigatory Powers Commissioner's Office (IPCO) reviews Rushmoor Borough Council's policies and procedures relating to RIPA on a regular basis. The next self-assessment is due imminently.
- 1.4 Most of the surveillance undertaken by the Council is outside of RIPA (for example for planning enforcement purposes or under Licensing legislation). The IPCO have made clear in their guidance that robust processes and procedures need to be in place for any surveillance carried, whether under the RIPA provisions or under separate legislation.
- 1.5 CCTV surveillance across the Borough is now carried out by Runnymede Borough Council, on behalf of Rushmoor Borough

Council, with the appropriate General Data Protection Regulation (GDPR) and contractual arrangements in place. The CCTV surveillance is outside of RIPA.

## **2. BACKGROUND**

- 2.1 Council officers who carry out investigations as part of their duties sometimes need to consider using covert techniques, i.e., techniques that leave the subject of the investigation unaware that they are being observed or investigated.
- 2.2 RIPA provides a framework within which such techniques may be used. All RIPA authorisations must now be approved by the Magistrates' Court before any surveillance can take place.
- 2.3 It should be noted that surveillance outside of RIPA will be undertaken and it is important that this is lawful and takes account of human rights legislation.
- 2.4 Only trained and authorised Council officers may authorise and undertake surveillance, all of which is subject to detailed scrutiny by the Investigatory Powers Commissioner's Office (IPCO).
- 2.5 Training was offered to staff involved in any surveillance activities in February 2023. Authorising officers and the RIPA co-ordinator (Corporate Manager – Legal Services) also attended a detailed training session in Spring 2023.
- 2.6 The policy identifies the officers who may authorise surveillance activities. The new policy updates the authorising officers within the Council.

## **3. IMPLICATIONS**

- 3.1 A review of the Council's policy on the use of surveillance and use of powers under the Regulation of Investigatory Powers Act 2000 is required to ensure that it complies with any changes in the law, the most recent guidance and considers any recommendations made on inspection.

## **4. FINANCIAL AND RESOURCE IMPLICATIONS**

- 4.1 There are no additional financial implications as a result of these changes. There is a continuing requirement to ensure that refresher training is provided to officers at regular intervals.

## **5. EQUALITIES IMPACT IMPLICATIONS**

- 5.1 No issues arise.

## **6. RECOMMENDATION:**

6.1 That the Corporate Governance, Audit and Standards Committee approve the corporate Surveillance and RIPA Policy and Guidance at Appendix 1 to this report and proposed amendments at Appendix A.

## **CONTACT DETAILS:**

Report Author

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## **PROPOSED AMENDMENTS – UPDATED MAY 2023**

### **APPENDIX A: LIST OF AUTHORISING OFFICERS**

James Duggin  
Nikki Fleming  
Ian Harrison  
Colin Alborough

### **NEW CODES OF PRACTICE AND GUIDANCE TO BE COMPLIED WITH:**

- 1) Investigatory Powers Act 2016 – codes of practice (updated 19 April 2023)
- 2) Covert surveillance code of practice (updated 13 December 2022)
- 3) Code of practice for investigation of protected electronic information (20 September 2018)
- 4) Covert Human Intelligence Sources code of practice 2022 (updated 13 December 2022)
- 5) Interception of communications code of practice 2022 (updated 13 December 2022)
- 6) Any surveillance must be in line with the Data Protection Act 2018 (as amended) and the UK General Data Protection Regulation (GDPR)

**RUSHMOOR**  
BOROUGH COUNCIL



**Surveillance and  
Regulation of  
Investigatory  
Powers Act 2000  
(RIPA)  
Policy and Guidance**

*N.B. Staff should be discouraged from printing this document. This is to avoid the risk of out of date printed versions of the document. The Intranet should be referred to for the current version of the document.*

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Status: Draft  
Approved by:

Issue Date:

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**APPENDIX**

A: List of Authorising Officers



## **PART A Introduction & RIPA General**

### **1. Introduction**

- 1.1 The performance of certain investigatory functions of Local Authorities may require the surveillance of individuals or the use of undercover officers and informants. Such actions may intrude on the privacy of individuals and can result in private information being obtained and as such, should not be undertaken without full and proper consideration. The Regulation of Investigatory Powers Act 2000 (RIPA) governs these activities and provides a means of ensuring that they are carried out in accordance with law and subject to safeguards against abuse.

All surveillance activity can pose a risk to the Council from challenges under the HRA or other processes. Therefore, it must be stressed that all staff involved in the process must take their responsibilities seriously which will assist with the integrity of the Council's processes, procedures and oversight responsibilities.

In preparing this policy the Council has followed the RIPA Codes of Practice (August 2018), Office of Surveillance Commissioners (OSC) Procedures and Guidance 2016 (still current).

If having read this document you are unclear about any aspect of the process, seek advice from Legal Services.

### **2. Scope of Policy**

- 2.1 The purpose of this Policy is to ensure there is a consistent approach to the undertaking and authorisation of surveillance activity that is carried out by the Council. This includes the use of undercover officers and informants, known as Covert Human Intelligence Sources (CHIS). This will ensure that the Council complies with RIPA .
- 2.2 This document provides guidance on the authorisation processes and the roles of the respective staff involved.
- 2.3 The policy also provides guidance on surveillance which is necessary to be undertaken by the authority but cannot be authorised under the RIPA legislation. This type of surveillance will have to be compliant with the Human Rights Act (see section 3 below).
- 2.4 The policy also identifies the cross over with other policies and legislation, particularly with the Data Protection Act and the Criminal Procedures Act.
- 2.5 All RIPA covert activity will have to be authorised and conducted in accordance with this policy, the RIPA legislation and Codes of Practice. Therefore, all officers involved in the process will have regard to this document and the statutory RIPA Codes of Practice issued under section 71 RIPA (current versions issued in August 2018) for both Directed Surveillance and the use of Covert Human Intelligence Sources (CHIS). The Codes of Practice are available from:

<https://www.gov.uk/government/collections/ripa-codes#current-codes-of-practice>

### 3. Background to RIPA and Lawful Criteria

- 3.1 On 2<sup>nd</sup> October 2000 the Human Rights Act 1998 (HRA) came into force making it potentially unlawful for a Local Authority to breach any article of the European Convention on Human Rights (ECHR).
- 3.2 Article 8 of the European Convention on Human Rights states that: -
- 1) Everyone has the right of respect for his private and family life, his home and his correspondence.
  - 2) There shall be no interference by a Public Authority with the exercise of this right except such as in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health and morals or for the protection of the rights and freedoms of others.
- 3.3 The right under Article 8 is a qualified right and Public Authorities can interfere with this right for the reasons given in 3.2 (2) above if it is necessary and proportionate to do so.
- 3.4 Those who undertake Directed Surveillance or CHIS activity on behalf of a Local Authority may breach an individual's Human Rights, unless such surveillance is **lawful**, consistent with Article 8 of the ECHR and is both **necessary** and **proportionate** to the matter being investigated.
- 3.5 RIPA provides the legal framework for lawful interference to ensure that any activity undertaken, together with the information obtained, is HRA compatible.
- 3.6 However, under RIPA, Local Authorities can now only authorise Directed Surveillance for the purpose of preventing or detecting conduct which constitutes a criminal offence which is punishable (whether on summary conviction or indictment) by a maximum term of at least six months imprisonment; (serious crime criteria) or involves the sale of alcohol or tobacco to children.
- 3.7 The **lawful criteria for CHIS** authorisation is **prevention and detection of crime and prevention of disorder** and the offence does not have to have a sentence of 6 months imprisonment.
- 3.8 Furthermore, the Council's authorisation can only take effect once an Order approving the authorisation has been granted by a Justice of the Peace (JP).
- 3.9 RIPA ensures that any surveillance which is undertaken following a correct authorisation and approval from a Justice of the Peace is lawful. Therefore, it protects the authority from legal challenge. It also renders evidence obtained lawful for all purposes.

#### **4. Consequences of Not Following RIPA**

4.1 Although not obtaining authorisation does not make the authorisation unlawful per se, it does have some consequences: -

- Evidence that is gathered may be inadmissible in court;
- The subjects of surveillance can bring their own claim on Human Rights grounds i.e. we have infringed their rights under Article 8;
- If a challenge under Article 8 is successful, the Council would receive reputational damage and could face a claim for financial compensation;
- The Government has also introduced a system of tribunal to deal with complaints. Any person who believes that their rights have been breached can have their complaint dealt with by the Investigatory Powers Tribunal (IPTC)
- It is likely that the activity could be construed as an error and therefore have to be investigated and a report submitted by the Senior Responsible Officer to the Investigatory Powers Commissioner's Office (IPCO).

#### **5. Independent Oversight**

5.1 RIPA was overseen by the Office of Surveillance Commissioners (OSC). However, from 1 Sept 2017 oversight is now provided by the Investigatory Powers Commissioner's Office (IPCO). They are the independent inspection office whose remit includes providing comprehensive oversight of the use of the powers to which the RIPA code applies, and adherence to the practices and processes described in it. They also provide guidance to be followed which is separate to the codes.

5.2 They have unfettered access to all locations, documentation and information systems as is necessary to carry out their full functions and duties and they will periodically inspect the records and procedures of the Council to ensure the appropriate authorisations have been given, reviewed, cancelled, and recorded properly.

5.3 It is the duty of any person who uses these powers to comply with any request made by a Commissioner to disclose or provide any information they require for the purpose of enabling them to carry out their functions. Therefore, it is important that the Council can show it complies with this Policy and with the provisions of RIPA.

## **PART B Surveillance, Types and Criteria**

### **6. Introduction**

- 6.1 It is important to understand the definition of surveillance; what activities are classed as surveillance and the different types of surveillance covered by RIPA and the HRA. Surveillance can be both overt and covert and, depending on their nature, are either allowed to be authorised under RIPA or not. There are also different degrees of authorisation depending on the circumstances.

### **7. Surveillance Definition**

#### **7.1 Surveillance is:**

- Monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications.
- Recording anything monitored, observed or listened to in the course of surveillance, with or without the assistance of a device.

### **8. Overt Surveillance**

- 8.1 Overt surveillance is where the subject of surveillance is aware that it is taking place. Either by way of signage such as in the use of CCTV or because the person subject of the surveillance has been informed of the activity. Overt surveillance is outside the scope of RIPA and therefore does not require authorisation. However, it still must take account of privacy under the Human Rights Act and be necessary and proportionate. Any personal data obtained will also be subject of the Data Protection Act.

### **9. Covert Surveillance**

- 9.1 Covert Surveillance is defined as "surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place" and is covered by RIPA.

- 9.2 There are three categories of covert surveillance regulated by RIPA: -

- 1) **Intrusive surveillance** (Local Authorities are not permitted to carry out intrusive surveillance).
- 2) **Directed Surveillance;**
- 3) **Covert Human Intelligence Sources (CHIS);**

## **10. Intrusive Surveillance**

- 10.1 Rushmoor Borough Council has no authority in law to carry out Intrusive Surveillance. Only the Police and other law enforcement agencies can lawfully carry out intrusive surveillance.
- 10.2 Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:
- Is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
  - Involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.
- 10.3 Where surveillance is carried out in relation to anything taking place on any residential premises or in any private vehicle by means of a device, without that device being present on the premises, or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle. Thus, an observation post outside premises, which provides a limited view and no sound of what is happening inside the premises, would not be considered as intrusive surveillance.
- 10.4 A risk assessment of the capability of equipment being used for surveillance on residential premises and private vehicles, such as high-powered zoom lenses, should be carried out to ensure that its use does not meet the criteria of Intrusive Surveillance.

## **11. Directed Surveillance Definition**

- 11.1 The Council can lawfully carry out Directed Surveillance, providing the Lawful Grounds (set out below in paragraph 14 below) are satisfied. Surveillance is Directed Surveillance if the following are all true:
- It is covert, but not intrusive surveillance;
  - It is conducted for the purposes of a specific investigation or operation;
  - It is likely to result in the obtaining of private information (see private information below) about a person (whether or not one specifically identified for the purposes of the investigation or operation);
  - It is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation to be sought.

## **12. Private information**

- 12.1 By its very nature, surveillance may involve invading an individual's right to privacy. The level of privacy which individuals can expect depends upon the nature of the

environment they are in at the time. For example, within an individual's own home or private vehicle, an individual can expect the highest level of privacy. The level of expectation of privacy may reduce if the individual transfers out into public areas.

- 12.2 The Code of Practice provides guidance on what is private information. They state private information includes any information relating to a person's private or family life. As a result, private information is capable of including any aspect of a person's private or personal relationship with others, such as family and professional or business relationships.
- 12.3 Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a Public Authority of that person's activities for future consideration or analysis. Surveillance of publicly accessible areas of the internet should be treated in a similar way, recognising that there may be an expectation of privacy over information which is on the internet, particularly where accessing information on social media websites.
- 12.4 Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute private information even if individual records do not. Where such conduct includes covert surveillance, a Directed Surveillance authorisation may be considered appropriate.
- 12.5 Private information may include personal data, such as names, telephone numbers and address details. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a Directed Surveillance authorisation is appropriate.
- 12.6 Information which is non-private may include publicly available information such as, books, newspapers, journals, TV and radio broadcasts, newswires, websites, mapping imagery, academic articles, conference proceedings, business reports, and more. Such information may also include commercially available data where a fee may be charged, and any data which is available on request or made available at a meeting to a member of the public.
- 12.7 There is also an assessment to be made regarding the risk of obtaining collateral intrusion which is private information about persons who are not subjects of the surveillance.

### **13. Confidential or Privileged Material**

- 13.1 Particular consideration should be given in cases where the subject of the investigation or operation might reasonably assume a high degree of confidentiality. This includes where the material contains information that is legally privileged, confidential journalistic material or where material identifies a journalist's source, where material

contains confidential personal information or communications between a Member of Parliament and another person on constituency business. Directed Surveillance likely or intended to result in the acquisition of knowledge of confidential or privileged material must be authorised by the Chief Executive.

- 13.2 **Advice should be sought from Legal Services if there is a likelihood of obtaining this type of material.**

#### **14. Lawful Grounds**

- 14.1 As mentioned earlier the Lawful Grounds for Directed Surveillance is a higher threshold for Local Authorities and cannot be granted unless it is to be carried out for the purpose of preventing or detecting a criminal offence(s) and it meets the serious crime test i.e. that the criminal offence(s) which is sought to be prevented or detected is

- 1) Punishable, whether on summary conviction or on indictment, by a maximum term of at least 6 months of imprisonment, or,
- 2) Would constitute an offence under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933 (see 1.4 above). This is the only ground available to the Council and hence the only justification.

- 14.2 Preventing or detecting crime goes beyond the prosecution of offenders and includes actions taken to avert, end or disrupt the commission of criminal offences.

#### **15. Test Purchases**

- 15.1 Test purchase activity does not in general require authorisation as a Covert Human Intelligence Source (CHIS) (for further information on CHIS, see Part C) under RIPA as vendor-purchaser activity does not normally constitute a relationship as the contact is likely to be so limited. However, if a number of visits are undertaken at the same establishment to encourage familiarity, a relationship may be established and authorisation as a CHIS should be considered. If the test purchaser is wearing recording equipment and is not authorised as a CHIS, or an adult is observing, consideration should be given to granting a Directed Surveillance authorisation.

- 15.2 When conducting covert test purchase operations at more than one establishment, it is not necessary to construct an authorisation for each premise to be visited but the intelligence must be sufficient to prevent "fishing trips". Premises may be combined within a single authorisation provided that each is identified at the outset. Necessity, proportionality, and collateral intrusion must be carefully addressed in relation to each of the premises. It is unlikely that authorisations will be considered proportionate without demonstration that overt methods have been considered or attempted and failed (Sec 245 OSC Procedures & Guidance 2016).

## **16. Urgent cases**

- 16.1 As from 1 November 2012 there is no provision to authorise urgent oral authorisations under RIPA for urgent cases as all authorisations have to be approved by a J.P. If surveillance is required to be carried out in an urgent situation or as an immediate response, this would have to be justified as necessary and proportionate under HRA. This type of surveillance is surveillance outside of RIPA. Please contact Legal Services for advice and consideration of the lawfulness and proportionality of such surveillance.

## **17. Surveillance for Preventing Disorder**

- 17.1 Authorisation for the purpose of preventing disorder can only be granted if it involves a criminal offence(s) punishable (whether on summary conviction or indictment) by a maximum term of at least 6 months' imprisonment. Surveillance for disorder not meeting these criteria would need to be carried out as surveillance outside of RIPA. (See paragraph 21 below)

## **18. CCTV**

- 18.1 CCTV is now known as a Surveillance Camera Systems under Section 29(6) Protection of Freedoms Act 2012: "Surveillance camera systems" is taken to include:

- (a) closed circuit television (CCTV) or automatic number plate recognition (ANPR) systems;
- (b) any other systems for recording or viewing visual images for surveillance purposes;

This includes

- CCTV;
  - Body Worn Video (BWV)
  - Automatic Number Plate Recognition;
  - Deployable mobile overt mobile camera systems.
  - Any other system for recording or viewing visual images for surveillance purposes;
  - Any systems for storing, receiving, transmitting, processing or checking images or information obtained by those systems; and
  - Any other systems associated with, or otherwise connected with those systems.
- 18.2 The use of the conventional town centre CCTV systems operated by the Council do not normally fall under RIPA. However, it does fall under the Data Protection Act 2018, the Surveillance Camera Code of Practise 2013, issued by the Surveillance Camera



Commissioner, and the Information Commissioner's Office (ICO) 'In the picture: a data protection code of practice for surveillance cameras and personal information'. However, should there be a requirement for the CCTV cameras to be used for a specific purpose to conduct surveillance it is likely that the activity will fall under Directed Surveillance and therefore require an authorisation.

- 18.3 Operators of the Council's CCTV system need to be aware of the RIPA issues associated with using CCTV and that continued, prolonged systematic surveillance of an individual may require an authorisation.
- 18.4 On the occasions when the CCTV cameras are to be used in a Directed Surveillance situation either by enforcement officers from relevant departments within the Council or outside Law Enforcement Agencies such as the Police, Rushmoor Borough Council's CCTV Code of Practice should be followed where relevant as well as the RIPA Codes of Practice.
- 18.5 The CCTV staff are to have a copy of the authorisation form in a redacted format, or a copy of the authorisation page. If it is an urgent oral authority from the Police, a copy of the applicant's notes are to be retained or at least some other document in writing which confirms the authorisation and exactly what has been authorised. It is important that the staff check the authority and only carry out what is authorised. A copy of the application or notes is also to be forwarded to the central register for filing. This will assist the Council to evaluate the authorisations and assist with oversight.
- 18.6 The Surveillance Camera Code of Practice 2013 defines a 'surveillance camera system' as:
- any other systems for recording or viewing visual images for surveillance purposes;
  - any systems for storing, receiving, transmitting, processing or checking the images or information obtained.
- 18.7 This definition will include body worn video (BWV) and overt cameras deployed to detect waste offences such as fly-tipping. This definition has far reaching implications as the use of any cameras that meet the requirement will have to be used in a manner that complies with the codes of practice mentioned above and the Data Protection Act.

## **19. Automatic Number Plate Recognition (ANPR)**

- 19.1 Automated Number Plate Recognition (ANPR) does not engage RIPA if it is used for the purpose it is registered for, such as traffic flow management or safety and enforcement within car parks. However, it is capable of being a surveillance device if used in a pre-planned way to carry out surveillance by monitoring a particular vehicle by plotting its locations, e.g. in connection with illegally depositing waste (fly-tipping).
- 19.2 Should it be necessary to use any ANPR systems to monitor vehicles, the same RIPA principles apply where a Directed Surveillance Authorisation should be sought.

## **20 Internet and Social Media Investigations**

- 20.1 Online open source research is widely regarded as the collection, evaluation and analysis of material from online sources available to the public, whether by payment or otherwise to use as intelligence and evidence.
- 20.2 The use of online open source internet and social media research techniques has become a productive method of obtaining information to assist the Council with its regulatory and enforcement functions. It can also assist with service delivery issues and debt recovery. However, the use of the internet and social media is constantly evolving and with it the risks associated with these types of enquiries, particularly regarding breaches of privacy under Article 8 Human Rights Act (HRA) and other operational risks.
- 20.3 The internet is another method of carrying out surveillance and a computer is a surveillance device. Repeat viewing of individual 'open source' sites for the purpose of intelligence gathering and data collation may constitute Directed Surveillance. Activities of monitoring through, for example, a Facebook profile for a period of time and a record of the information is kept for later analysis or evidential purposes is likely to require a RIPA authorisation. Where covert contact is made with another person on the internet a CHIS authority may be required.
- 20.4 Where this is the case, the application process and the contents of this policy is to be followed.
- 20.5 Where the activity falls within the criteria of surveillance or CHIS outside of RIPA, again this will require authorising on a non RIPA form which will be authorised internally.
- 20.6 There is a detailed separate corporate policy that covers online open source research which should be read and followed in conjunction with this policy (see the Internet & Social Media Research & Investigations Policy).

## **21. Surveillance Outside of RIPA**

- 21.1 As already explained, for Directed Surveillance the criminal offence must carry a **6-month prison sentence** or relate to the sale of alcohol or tobacco to children. There are scenarios within an investigation that do not meet this threshold where it may be necessary to undertake surveillance. This will fall outside of RIPA. Examples include:
- Surveillance for anti-social behaviour disorder which do not attract a maximum custodial sentence of at least six months imprisonment.
  - Planning enforcement prior to the serving of a notice or to establish whether a notice has been breached.
  - Most licensing breaches.
  - Safeguarding vulnerable people.
  - Civil matters.
  - Disciplinary surveillance (see below).

- 21.2 In the above scenarios they are likely to be a targeted surveillance which are likely to breach someone's article 8 rights to privacy. Therefore, the activity should be conducted in a way which is HRA compliant, which will include a judgement as to whether such surveillance is necessary and proportionate.
- 21.3 Non RIPA surveillance also includes staff disciplinary surveillance in serious disciplinary investigations. Guidance dictates that this type of surveillance must be compliant with the Monitoring at Work Guidance issued by the Information Commissioner. This is to ensure that it complies with the HRA.
- 21.4 Should the investigation also involve a criminal offence which meets the RIPA criteria such as fraud, the option to carry out the surveillance under RIPA should be considered. However, it must be a genuine criminal investigation with a view to prosecuting the offender.
- 21.5 Should it be necessary to undertake disciplinary surveillance advice should be sought from Legal Services.
- 21.6 As part of the process of formally recording and monitoring non RIPA surveillance, a non RIPA surveillance application form should be completed and authorised by an Authorising Officer. A copy of the non RIPA surveillance application form can be obtained from the RIPA Co-Ordinator.
- 21.7 The SRO will therefore maintain an oversight of non RIPA surveillance to ensure that such use is compliant with Human Rights legislation. The RIPA Co Ordinator will maintain a central record of non RIPA surveillance.
- 21.8 The RIPA codes also provide guidance that authorisation under RIPA is not required for the following types of activity:
- General observations as per section 3.33 in the codes of practice that do not involve the systematic surveillance of an individual or a group of people and should an incident be witnessed the officer will overtly respond to the situation.
  - Use of overt CCTV and Automatic Number Plate Recognition systems.
  - Surveillance where no private information is likely to be obtained.
  - Surveillance undertaken as an immediate response to a situation.
  - Covert surveillance not relating to criminal offence which carries a maximum sentence of 6 months imprisonment or relate to the sale of alcohol or tobacco to children (this is likely to be surveillance outside of RIPA).
  - The use of a recording device by a CHIS in respect of whom an appropriate use or conduct authorisation has been granted permitting them to record any information in their presence.
  - The covert recording of noise where the recording is of decibels only or constitutes non-verbal noise (such as music, machinery or an alarm), or the recording of verbal content is made at a level which does not exceed that which can be heard from the street outside or adjoining property with the naked ear.

In the latter circumstance, the perpetrator would normally be regarded as having forfeited any claim to privacy. In either circumstance this is outside of RIPA.

## **22. Joint Agency Surveillance**

- 22.1 In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the Police. If it is a joint operation involving both agencies, the lead agency should seek authorisation.
- 22.2 Council staff involved with joint agency surveillance are to ensure that all parties taking part are authorised on the authorisation form to carry out the activity. When staff are operating on another organisation's authorisation they are to ensure they see what activity they are authorised to carry out and make a written record. They should also provide a copy of the authorisation to the RIPA Co Ordinator. This will assist with oversight of the use of Council staff carrying out these types of operations. Line Managers should be made aware if their staff are involved in this type of surveillance.

## **23. Use of Third-Party Surveillance**

- 23.1 In some circumstances it may be appropriate or necessary for the Council to work with third parties who are not themselves a Public Authority (such as an individual, company or non-governmental organisation) to assist with an investigation. Where that third party is acting in partnership with or under the direction of the Council, then they are acting as our agent and any activities that the third party conducts which meet the RIPA definitions of Directed Surveillance should be authorised. This is because the agent will be subject to RIPA in the same way as any employee of the Council would be. The Authorising Officer should ensure that the agents are qualified or have the necessary skills to achieve the objectives. They should also ensure that they understand their obligations under RIPA. If advice is required, please contact Legal Services.
- 23.2 Similarly, a surveillance authorisation should also be considered where the Council is aware that a third party (that is not a Public Authority) is independently conducting surveillance and the Council intends to make use of any suitable material obtained by the third party for the purposes of a specific investigation.

## **24. Surveillance Equipment**

- 24.1 The Council will maintain a central register of all surveillance equipment such as cameras and noise monitoring devices. This will require a description, Serial Number, and explanation of its capabilities.
- 24.2 The register will be held and maintained by the RIPA Co-Ordinator. This equipment is available for all departments use.

- 24.3 All equipment capable of being used for Directed Surveillance such as cameras etc. should be fit for purpose for which they are intended.
- 24.4 When completing an Authorisation, the applicant must provide the Authorising Officer with details of any equipment to be used and its technical capabilities. The Authorising Officer will have to take this into account when considering the intrusion issues, proportionality and whether the equipment is fit for the required purpose. The Authorising Officer must make it clear on the Authorisation exactly what equipment if any they are authorising and in what circumstances.

## **25 Communications Data**

- 25.1 Part 3 of the Investigatory Powers Act 2016 replaced part 1 chapter 2 of RIPA in relation to the acquisition of communications data (CD) and puts local authorities on the same standing as the police and law enforcement agencies. Previously local authorities have been limited to obtaining subscriber details (known now as "entity" data) such as the registered user of a telephone number or email address. Under the IPA, local authorities can now also obtain details of in and out call data, and cell site location. This information identifies who a criminal suspect is in communication with and whereabouts the suspect was when they made or received a call, or the location from which they were using an Internet service. This additional data is defined as "events" data.
- 25.2 A new threshold for which CD "events" data can be sought has been introduced under the IPA as "applicable crime". Defined in section 86(2A) of the Act this means: an offence for which an adult is capable of being sentenced to one year or more in prison; any offence involving violence, resulting in substantial financial gain or involving conduct by a large group of persons in pursuit of a common goal; any offence committed by a body corporate; any offence which involves the sending of a communication or a breach of privacy; or an offence which involves, as an integral part of it, or the sending of a communication or breach of a person's privacy. Further guidance can be found in paragraphs 3.3 to 3.13 of CD Code of Practice.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/757850/Communications Data Code of Practice.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757850/Communications_Data_Code_of_Practice.pdf)

- 25.3 Finally, the IPA has also removed the necessity for local authorities to seek the endorsement of a Justice of the Peace when seeking to acquire CD. All such applications must now be processed through NAFN and will be considered for approval by the independent Office of Communication Data Authorisation (OCDA). The transfer of applications between local authorities, NAFN and OCDA is all conducted electronically and will therefore reduce what can be a protracted process of securing an appearance before a Magistrate or District Judge (see local authority procedures set out in paragraphs 8.1 to 8.7 of the CD Code of Practice).

## **PART C. Covert Human Intelligence Sources (CHIS)**

### **26. Introduction**

- 26.1 RIPA covers the activities of Covert Human Intelligence Sources (CHIS) which relates not only to sources commonly known as informants (members of the public providing the Council with information), but also the activities of undercover officers. It matters not whether they are employees of the Council, agents or members of the public engaged by the Council to establish or maintain a covert relationship with someone to obtain information.
- 26.2 Not all human source activity will meet the definition of a CHIS. For example, a source may be a public volunteer or someone who discloses information out of professional or statutory duty or has been tasked to obtain information other than by way of a covert relationship. However, Officers must be aware that such information may have been obtained in the course of an ongoing relationship with a family member, friend or business associate. The Council has a duty of care to all members of the public who provide information to us and appropriate measures must be taken to protect that source. How the information was obtained should be established to determine the best course of action. The source and information should also be managed correctly in line with CPIA and the disclosure provisions.
- 26.3 Recognising when a source becomes a CHIS is therefore important as this type of activity may need authorisation. Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of the contents of this Policy and the CHIS codes of Practice.
- 26.4 A CHIS, their conduct, and the use to which they are put is defined within Section 26(7) and (8) of RIPA. Chapter 2 of the relevant Code provides examples of where this regime may apply.
- 26.5 Legal advice should always be sought where consideration is given to the use of CHIS.

### **27. Definition of CHIS**

- 27.1 Individuals act as a covert human intelligence sources (CHIS) if they:
- i) establish or maintain a covert relationship with another person to obtain information.
  - ii) covertly give access to information to another person, or
  - iii) disclose information covertly which they have obtained using the relationship or they have obtained because the relationship exists.
- 27.2 A relationship is established, maintained or used for a covert purpose if and only if it is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose. This does not mean the relationship with the Council Officer and the person providing the information, as this is not covert. It relates to how the information was either obtained or will be obtained. Was it or will it be

obtained from a third party without them knowing it was being passed on to the Council? This would amount to a covert relationship.

- 27.3 It is possible, that a person will become engaged in the conduct of a CHIS without a public authority inducing, asking or assisting the person to engage in that conduct. An authorisation should be considered, for example, where a public authority is aware that a third party is independently maintaining a relationship (i.e. "self-tasking") in order to obtain evidence of criminal activity, and the public authority intends to make use of that material for its own investigative purposes. (Section 2.26 Codes of CHIS Codes of Practice)

## **28. Vulnerable and Juvenile CHIS**

- 28.1 Special consideration must be given to the use of a Vulnerable Individual as a CHIS. A 'Vulnerable Individual' is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself, or unable to protect himself against significant harm or exploitation. Any individual of this description, or a Juvenile as defined below, should only be authorised to act as a source in the most exceptional circumstances and only then when authorised by the Chief Executive (or, in his absence, the Deputy Chief Executive).
- 28.2 Special safeguards also apply to the use or conduct of Juvenile Sources; that is sources under the age of 18 years. On no occasion should the use or conduct of a source under 16 years of age be authorised to give information against his parents or any person who has parental responsibility for him.
- 28.3 If the use of a Vulnerable Individual or a Juvenile is being considered as a CHIS you must consult before authorisation is sought as authorisations should not be granted in respect of a Juvenile CHIS unless the special provisions contained within the Regulation of Investigatory Powers (Juveniles) Order 2000; SI No. 2793 are satisfied.

## **29. Lawful Criteria**

- 29.1 The lawful criteria for CHIS authorisation is **prevention and detection of crime and prevention of disorder**. The serious crime criteria of the offence carrying a 6-month sentence etc. does not apply to CHIS.
- 29.2 Authorisations for Juvenile Sources must be authorised by the Chief Executive of the Council (or, in their absence, the Deputy Chief Executive).

## **30. Conduct and Use of a Source**

- 30.1 The way the Council use a CHIS for covert activities is known as 'the use and conduct' of a source.
- 30.2 The use of a CHIS involves any action on behalf of a Public Authority to induce, ask or assist a person to engage in the conduct of a CHIS, or to obtain information by means of the conduct of a CHIS.

- 30.3 The conduct of a CHIS is establishing or maintaining a personal or other relationship with another person for the covert purpose of:
- a. Using such a relationship to obtain information, or to provide access to information to another person, or
  - b. Disclosing information obtained by the use of such a relationship or as a consequence of such a relationship or
  - c. Is incidental to anything falling within a and b above.
- 30.4 In other words, an authorisation for conduct will authorise steps taken by the CHIS on behalf, or at the request, of a Public Authority.
- 30.5 The use of a source is what the Authority does in connection with the source, such as tasking and the conduct is what a source does to fulfil whatever tasks are given to them or which is incidental to it. The Use and Conduct require separate consideration before authorisation. However, they are normally authorised within the same authorisation.
- 30.6 The same authorisation form is used for both use and conduct. A Handler and Controller must also be designated, as part of the authorisation process (see section 31), and the application can only be authorised if necessary and proportionate. Detailed records of the use, conduct and tasking of the source also have to be maintained.
- 30.7 Care should be taken to ensure that the CHIS is clear on what is or is not authorised at any given time, and that all the CHIS's activities are properly risk assessed. Care should also be taken to ensure that relevant applications, reviews, renewals and cancellations are correctly performed (see Section 2.10 of the CHIS Code of Practice)
- 30.8 Careful consideration must be given to any particular sensitivities in the local community where the CHIS is being used and of similar activities being undertaken by other public authorities which could have an impact on the deployment of the CHIS. Consideration should also be given to any adverse impact on community confidence or safety that may result from the use or conduct of a CHIS or use of information obtained from that CHIS (Section 3.18 of the CHIS Code of Practice)

### **31. Handler and Controller**

- 31.1 Covert Human Intelligence Sources may only be authorised if the following arrangements are in place:
- That there will at all times be an officer (the **Handler**) within the Council who will have day to day responsibility for dealing with the source on behalf of the authority, and for the source's security. The Handler is likely to be the investigating officer.
  - That there will at all times be another officer within the Council who will have general oversight of the use made of the source; (**Controller**) i.e. the line manager.



- That there will at all times be an officer within the Council who has responsibility for maintaining a record of the use made of the source. See CHIS record keeping (see section 37).

31.2 The **Handler** will have day to day responsibility for:

- Dealing with the source on behalf of the Local Authority concerned;
- Risk assessments
- Directing the day to day activities of the source;
- Recording the information supplied by the source; and
- Monitoring the source's security and welfare.
- Informing the Controller of concerns about the personal circumstances of the CHIS that might effect the validity of the risk assessment or conduct of the CHIS

31.3 The **Controller** will be responsible for:

- The management and supervision of the "Handler" and
- General oversight of the use of the CHIS;
- maintaining an audit of case work sufficient to ensure that the use or conduct of the CHIS remains within the parameters of the extant authorisation.

## 32. Undercover Officers

32.1 Oversight and management arrangements for **undercover operatives**, while following the principles of the Act, will differ, in order to reflect the specific role of such individuals as members of the Council. The role of the handler will be undertaken by a person referred to as a '**cover officer**'. (Section 6.9 CHIS Codes of Practice).

## 33. Tasking

33.1 Tasking is the assignment given to the source by the Handler or Controller such as by asking them to obtain information, to provide access to information or to otherwise act, incidentally, for the benefit of the relevant Local Authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

33.2 In some instances, the tasking given to a person will not require the source to establish a personal or other relationship for a covert purpose. For example, a member of the public is asked to maintain a record of all vehicles arriving and leaving a specific location or to record the details of visitors to a neighbouring house. A relationship has not been established or maintained in order to gather the information and a CHIS authorisation is therefore not available. Other authorisations under the Act, for example, Directed Surveillance, may need to be considered where there is a possible interference with the Article 8 rights of an individual.

- 33.3 Authorisations should not be drawn so narrowly that a separate authorisation is required each time the CHIS is tasked. Rather, an authorisation might cover, in broad terms, the nature of the source's task.

#### **34. Risk Assessments**

- 34.1 The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. It is a requirement of the codes that a risk assessment is carried out. This should be submitted with the authorisation request. The risk assessment should provide details of how the CHIS is going to be handled. It should also take into account the safety and welfare of the CHIS in relation to the activity and should consider the likely consequences should the role of the CHIS become known. The ongoing security and welfare of the CHIS after the cancellation of the authorisation should also be considered at the outset.

#### **35. Use of Equipment by a CHIS**

- 35.1 If a CHIS is required to wear or carrying a surveillance device such as a covert camera it does not need a separate intrusive or Directed Surveillance authorisation, provided the device will only be used in the presence of the CHIS. It should be authorised as part of the conduct of the CHIS.
- 35.2 CHIS, whether or not wearing or carrying a surveillance device, in residential premises or a private vehicle, does not require additional authorisation to record any activity taking place inside those premises or that vehicle which takes place in their presence. This also applies to the recording of telephone conversations. This should have been identified at the planning stage.

#### **36. CHIS Management**

- 36.1 The operation will require managing by the Handler and Controller which will include ensuring that the activities of the source and the operation remain focused and there is no status drift. It is important that the intrusion is assessed to ensure the operation remains proportionate. The security and welfare of the source will also be monitored. The Authorising Officer should maintain general oversight of these functions.
- 36.2 During CHIS activity, there may be occasions when unforeseen actions or undertakings occur. Such incidences should be recorded as soon as practicable after the event and if the existing authorisation is insufficient, it should either be dealt with by way of a review and re-authorised (for minor amendments only) or it should be cancelled, and a new authorisation obtained before any further action is carried out. Similarly, where it is intended to task a CHIS in a new significantly different way than previously identified, the proposed tasking should be referred to the Authorising Officer, who should consider whether a separate authorisation is required. This should be done in advance of any tasking and details of such referrals must be recorded.

## **37. CHIS Record Keeping**

### **37.1 Centrally Retrievable Record of Authorisations**

37.2 A centrally retrievable record of all authorisations is held by Rushmoor Borough Council. This record contains the relevant information to comply with the Codes of Practice. These records are updated whenever an authorisation is granted, renewed or cancelled and are available to the Investigatory Powers Commissioner (IPCO) upon request.

37.3 The records are retained for 5 years from the ending of the authorisation.

### **37.4 Individual Source Records of Authorisation and Use of CHIS**

37.5 Detailed records must be kept of the authorisation and the use made of a CHIS. An authorising officer must not grant an authorisation for the use or conduct of a CHIS unless they believe that there are arrangements in place for ensuring that there is at all times a person with the responsibility for maintaining a record of the use made of the CHIS. The Regulation of Investigatory Powers (Source Records) Regulations 2000; SI No: 2725 details the particulars that must be included in these records.

37.6 The particulars to be contained within the records are;

- a. The identity of the source;
- b. The identity, where known, used by the source;
- c. Any relevant investigating authority other than the authority maintaining the records;
- d. The means by which the source is referred to within each relevant investigating authority;
- e. Any other significant information connected with the security and welfare of the source;
- f. Any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g. The date when, and the circumstances in which the source was recruited;
- h. Identity of the Handler and Controller (and details of any changes)

- i. The periods during which those persons have discharged those responsibilities;
- j. The tasks given to the source and the demands made of him in relation to his activities as a source;
- k. All contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l. The information obtained by each relevant investigating authority by the conduct or use of the source;
- m. Any dissemination by that authority of information obtained in that way; and
- n. In the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

37.7 The person maintaining these records is the RIPA Co-Ordinator.

37.8 Public authorities are also encouraged to maintain auditable records for individuals providing intelligence who do not meet the definition of a CHIS. This will assist authorities to monitor the status of a human source and identify whether that person should be duly authorised as a CHIS. This should be updated regularly to explain why authorisation is not considered necessary. Such decisions should rest with those designated as Authorising Officers within Public Authorities. (Section 7.5 CHIS Codes of Practice).

### **37.9. Further Documentation**

37.10 In addition to the above, when appropriate records or copies of the following, as are retained by the Council for 5 years:

- A copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorising officer;
- A copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- The reason why the person renewing an authorisation considered it necessary to do so;
- Any authorisation which was granted or renewed orally (in an urgent case) and the reason why the case was considered urgent;
- Any risk assessment made in relation to the CHIS;

- The circumstances in which tasks were given to the CHIS;
- The value of the CHIS to the investigating authority;
- A record of the results of any reviews of the authorisation;
- The reasons, if any, for not renewing an authorisation;
- The reasons for cancelling an authorisation; and
- The date and time when any instruction was given by the authorising officer that the conduct or use of a CHIS must cease.
- A copy of the decision by a Judicial Commissioner on the renewal of an authorisation beyond 12 months (where applicable).

37.11 The records kept by the Council should be maintained in such a way as to preserve the confidentiality, or prevent disclosure of the identity of the CHIS, and the information provided by that CHIS (Sec 7.7 CHIS Codes of Practice)

37.12 The relevant application forms are available in the Appendices:  
<https://www.gov.uk/government/collections/ripa-forms--2>

References in these forms to the 'Code' are to the Covert Human Intelligence Sources Code of Practice, which should be consulted for further guidance.

## **PART D. RIPA Roles and Responsibilities**

### **38. The Senior Responsible Officer (SRO)**

38.1 The nominated Senior Responsible Officer is Executive Director and Deputy Chief Executive. The SRO has responsibilities for:

- The integrity of the process in place within the Council to authorise Directed and Intrusive Surveillance;
- Compliance with the relevant sections of RIPA and the Codes of Practice;
- Oversight of the reporting of errors to the Investigatory Powers Commissioner (IPC) and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors;

- Engagement with the Investigatory Powers Commissioner Office (IPCO) and the inspectors who support the Commissioner when they conduct their inspections;
- Where necessary, overseeing the implementation of any recommended post-inspection action plans and
- Ensuring that all Authorising Officers are of an appropriate standard, addressing any recommendations and concerns in the inspection reports prepared by the Investigatory Powers Commissioner.

### **39. RIPA Co-Ordinator**

39.1 The RIPA Co-Ordinator is the Corporate Manager – Legal Services and is responsible for storing all the original authorisations, reviews, renewals and cancellation forms and the signed approval or refusal documentation from the JP. This will include any authorisations that have not been authorised by the Authorising Officer or refused by a JP.

39.2 The RIPA Co-ordinator will: -

- Keep the copies of the forms for a period of 5 years;
- Keep the Central Register (a requirement of the Codes of Practice) of all of the authorisations, renewals and cancellations; and Issue the unique reference number.
- Keep a database for identifying and monitoring expiry dates and renewal dates.
- Along with, Directors, Heads of Service, Authorising Officers, and the Investigating Officers must ensure that any electronic and paper records relating to a RIPA investigation are used, retained or destroyed in line with the Councils Information Governance Framework, retention schedules and data protection legislation.
- Provide administrative support and guidance on the processes involved.
- Monitor the authorisations, renewals and cancellations with a view to ensuring consistency throughout the Council;
- Monitor each department's compliance and act on any cases of non-compliance;
- Provide training and further guidance and awareness of RIPA and the provisions of this Policy; and Review the contents of this Policy.

#### **40. Managers Responsibility and Management of the Activity**

- 40.1 Line Managers within each department of the Council are responsible for ensuring that in all cases where surveillance is required, due consideration is given to the need for covert surveillance before application is made for authorisation. That includes the consideration of using overt action, routine enquiries or inspections which are less intrusive.
- 40.2 If authorised it is important that all those involved in undertaking Directed Surveillance activities, including Line managers, are fully aware of the extent and limits of the authorisation. There should be an ongoing assessment for the need for the activity to continue including ongoing assessments of the intrusion. All material obtained, including evidence, should be stored in line with relevant legislation and procedures to safeguard its integrity and reduce a risk of challenge.
- 40.3 Line Managers should also ensure that the relevant reviews, renewals and cancellations are completed by the applicant in accordant with the codes and the dates set throughout the process.

#### **41. Investigating Officers/Applicant**

- 41.1 The applicant is normally an investigating officer who completes the application section of the RIPA form. Investigating Officers should think about the need to undertake Directed Surveillance or the use of a CHIS before they seek authorisation and discuss it with their Line manager. Investigating Officers need to consider whether they can obtain the information or achieve their objective by using techniques other than covert surveillance.
- 41.2 The applicant or some other person must carry out a feasibility study and this should be seen by the Authorising Officer. The person seeking the authorisation should then complete the application form having regard to the guidance given in this Policy and the statutory Codes of Practice. There should not be any real delay between the feasibility study and the completion of the application form to ensure that the details within the application are accurate and will not have changed. The form should then be submitted to the Authorising Officer for authorisation.
- 41.3 The applicant is likely to attend court to seek the approval of a JP. and if approved and involved in the covert activity they must only carry out what is authorised and approved. They, or some other person will also be responsible for the submission of any reviews renewals and cancellations.

#### **42. Authorising Officers**

- 42.1 The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 prescribes that for Local Authorities the Authorising Officer shall be a Director, Head of Service, Service Manager or equivalent as distinct from the officer responsible for the conduct of an investigation.
- 42.2 Appendix A lists the Authorising Officers within the Council who can grant authorisations all of which are at Service Manager level or above.

- 42.3 The role of the Authorising Officers is to consider whether to authorise, review, or renew an authorisation. They must also officially cancel the RIPA covert activity. Authorising Officers must have been trained to an appropriate level so as to have an understanding of the requirements in the Codes of Practice and that must be satisfied before an authorisation can be granted.
- 42.4 Authorising Officers should not be responsible for authorising investigations or operations in which they are directly involved. Where an Authorising Officer authorises such an investigation or operation, the central record of authorisations should highlight this, and it should be brought to the attention of a Commissioner or Inspector during their next inspection.
- 42.5 Authorisations must be given in writing by the Authorising Officer by completing the relevant section on the authorisation form. When completing an authorisation, the case should be presented in a fair and balanced way. In particular, all reasonable efforts should be made to take into account information which weakens the case for the authorisation.
- 42.6 Authorising Officers must explain why they believe the activity is both necessary and proportionate having regard to the collateral intrusion. They must also consider any similar activity which may be taking place, or sensitivities in the area.
- 42.7 They also need to explain exactly what they are authorising, against who, in what circumstances, where etc. and that the level of the surveillance is appropriate to achieve the objectives. It is important that this is made clear on the authorisation as the surveillance operatives are only allowed to carry out what is authorised. This will assist with avoiding errors.
- 42.8 If any equipment such as covert cameras are to be used, the Authorising Officer should know the capability of the equipment before authorising its use. This will have an impact on collateral intrusion, necessity and proportionality. They should not rubber-stamp a request. It is important that they consider all the facts to justify their decision. They may be required to justify their actions in a court of law or some other tribunal.
- 42.9 The Authorising Officer may be required to attend court to explain what has been authorised and why.
- 42.10 Authorised Officers must acquaint themselves with the relevant Codes of Practice issued by the Home Office regarding RIPA and the current Procedures and Guidance issued by the Commissioner. This document also details the latest operational guidance to be followed. It is recommended that Authorising Officers hold their own copy of this document. This can be obtained from Legal Services.

### **43 Necessity**

- 43.1 Obtaining an authorisation under RIPA will only ensure that there is a justifiable interference with an individual's Article 8 rights if it is necessary and proportionate for these activities to take place.
- 43.2 The Act first requires that the person granting an authorisation believe that the authorisation is necessary in the circumstances of the particular case for one or more of the statutory grounds which for Local Authority Directed Surveillance is the



prevention and detection of crime and that the crime attracts a custodial sentence of a maximum of 6 months or more, or for the purpose of preventing or detecting specified criminal offences relating to the underage sale of alcohol and tobacco.

- 43.3 The lawful criteria for CHIS is prevention and detection of crime and prevention of disorder and the offence does not have to have a sentence of 6 months imprisonment.
- 43.4 The applicant and Authorising Officers must also be able to demonstrate why it is necessary to carry out the covert activity to achieve the objectives and that there were no other means of obtaining the same information in a less intrusive method. This is a part of the authorisation form.

#### **44. Proportionality**

- 44.1 If the activities are deemed necessary, the Authorising Officer must also believe that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the seriousness of the intrusion into the privacy of the subject of the operation (or any other person who may be affected) against the need for the activity in investigative and operational terms.
- 44.2 The authorisation will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render the proposed actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.
- 44.3 When explaining proportionality, the Authorising Officer should explain why the methods and tactics to be adopted during the surveillance is not disproportionate.
- 44.4 The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers:
- Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
  - Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
  - Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;

Evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

## **45. Collateral Intrusion**

- 45.1 Before authorising applications for Directed Surveillance, the Authorising Officer should also take into account the risk of obtaining collateral intrusion which is private information about persons who are not subjects of the surveillance.
- 45.2 Staff should take measures, wherever practicable, to avoid or minimise unnecessary intrusion into the privacy of those who are not the intended subjects of the surveillance. Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. The same proportionality tests apply to anticipated collateral intrusion as to intrusion into the privacy of the intended subject of the surveillance.
- 45.3 All applications must therefore include an assessment of the risk of collateral intrusion and detail the measures taken to limit this to enable the Authorising Officer fully to consider the proportionality of the proposed actions. This is detailed in a section within the authorisation form.
- 45.4 In order to give proper consideration to collateral intrusion, an Authorising Officer should be given full information regarding the potential scope of the anticipated surveillance, including the likelihood that any equipment deployed may cause intrusion on persons or property other than the subject(s) of the application. If an automated system such as an online search engine is used to obtain the information, the Authorising Officer should be made aware of its potential extent and limitations. Material which is not necessary or proportionate to the aims of the operation or investigation should be discarded or securely retained separately where it may be required for future evidential purposes. It may also need retaining under CPIA. The Authorising Officer should ensure appropriate safeguards for the handling, retention or destruction of such material, as well as compliance with Data Protection Act requirements.
- 45.5 Where it is proposed to conduct surveillance activity specifically against individuals who are not suspected of direct or culpable involvement in the overall matter being investigated, interference with the privacy of such individuals should not be considered as collateral intrusion but rather as intended intrusion.
- 45.6 In the event that authorised surveillance unexpectedly and unintentionally interferes with the privacy of any individual other than the intended subject, the authorising officer should be informed by submitting a review form. Consideration should be given in any such case to the need for any separate or additional authorisation.
- 45.7 Where a Public Authority intends to access a social media or other online account to which they have been given access with the consent of the owner, the authority will still need to consider whether the account(s) may contain information about others who have not given their consent. If there is a likelihood of obtaining private information about others, the need for a Directed Surveillance authorisation should be considered, particularly (though not exclusively) where it is intended to monitor the account going forward.

## **PART E. The Application and Authorisation Process**

### **46. Relevant Forms**

46.1 For both Directed Surveillance and CHIS authorisations there are 4 forms within the process. They are:

- Authorisation
- Review
- Renewal
- Cancellation

46.2 All the forms can be obtained from the Government Website at

<https://www.gov.uk/government/collections/ripa-forms--2>

### **47. Duration of Authorisations**

47.1 Authorisations must be given for the maximum duration from the Date approved by the JP/Magistrate but reviewed on a regular basis and formally cancelled when no longer needed. They do not expire, they must be cancelled when the surveillance is no longer proportionate or necessary. Therefore, a Directed Surveillance authorisation will cease to have effect after three months from the date of approval by the Magistrate unless renewed or cancelled. Durations detailed below:

<b>Directed Surveillance</b>	3 Months
<b>Renewal</b>	3 Months
<b>Covert Human Intelligence Source</b>	12 Months
<b>Renewal</b>	12 months
<b>Juvenile Sources</b>	4 Months
<b>Renewal</b>	4 Months

47.2 It is the responsibility of the Investigating Officer to make sure that the authorisation is still valid when they undertake surveillance.

### **48. Applications/Authorisation**

48.1 The applicant or some other person must carry out a feasibility study and intrusion assessment as this may be required by the Authorising Officer. The person seeking the authorisation should then complete the application form having regard to the guidance given in this Policy and the statutory Codes of Practice. There should not be any real delay between the feasibility study and the completion of the application form to ensure that the details within the application are accurate and will not have changed. The form should then be submitted to the Authorising Officer for authorisation.

- 48.2 When completing an application for authorisation, the applicant must ensure that the case for the authorisation is presented in the application in a fair and balanced way. In particular, all reasonable efforts should be made to take into account information which weakens the case for the warrant or authorisation. This is a requirement of the codes.
- 48.3 All the relevant sections must be completed with sufficient information to ensure that applications are sufficiently detailed for the Authorising Officer to consider Necessity, Proportionality having taken into account the Collateral Intrusion issues **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**
- 48.4 If it is intended to undertake both Directed Surveillance and the use of a CHIS on the same surveillance subject, the respective authorisation should be completed and the respective procedures followed. Both activities should be considered separately on their own merits.
- 48.5 All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team in order that they are aware of the application and activities being undertaken by the staff. The Line Manager will perform an initial quality check of the application. However, they should not be involved in the sanctioning of the authorisation. The form should then be submitted to the Authorising Officer.
- 48.6 Applications whether authorised or refused will be issued with a unique number (obtained from the RIPA Co-Ordinator) by the Authorising Officer. The number will be taken from the next available number in the central record of authorisations which is held by the RIPA Coordinator.
- 48.7 If not authorised, feedback will be provided to the applicant and the application will be forwarded to the RIPA Co-Ordinator for recording and filing. If having received the feedback, the applicant feels it is appropriate to re submit the application, they can do so and it will then be considered again.
- 48.8 Following authorisation, the applicant will then complete the relevant section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of the circumstances of the case, this is supplementary to and does not replace the need to supply a copy and the original RIPA authorisation as well.

#### **49. Arranging the Court Hearing**

- 49.1 It will be necessary within office hours to contact the administration at the Magistrates' Court to arrange a hearing. The hearing will be in private and heard by a single JP. The application to the JP will be on oath.
- 49.2 Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or information as required by the JP. If in doubt as to whether you are able to present the application seek advice from Legal Services.

## 50. Attending the Hearing

- 50.1 The applicant will attend the hearing; however, the Authorising Officer should also attend the hearing if required as the applicant can't answer questions directed for the Authorising Officer. Upon attending the hearing, the officer must present to the JP the partially completed judicial application/order form, the original and a copy of the RIPA application/authorisation form, together with any supporting documents setting out the case. The original RIPA authorisation should be shown to the JP but will be retained by the Council so that it is available for inspection by IPCO, and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).
- 50.2 The JP will read and consider the RIPA authorisation and the judicial application/order form.. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However, the forms and supporting papers must by themselves make the case. It is not sufficient for the Council to provide oral evidence where this is not reflected or supported in the papers provided.**
- 50.3 The JP will consider whether they are satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. In addition, they must be satisfied that the person who granted the authorisation was an appropriate Designated Person within the Council to authorise the activity and the authorisation was made in accordance with any applicable legal restrictions, for example, the crime threshold for Directed Surveillance.

## 51. Decision of the Justice of the Peace (JP)

- 51.1 The JP has a number of options which are:
- 51.2 **Approve or renew an authorisation.** If approved by the JP, the date of the approval becomes the commencement date for the duration of the three months and the officers are now allowed to undertake the activity.
- 51.3 **Refuse to approve or renew an authorisation.** The RIPA authorisation will not take effect and the Council may **not** use the technique in that case.
- 51.4 Where an application has been refused, the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the authorisation has met the tests, and this is the reason for refusal, the officer should consider whether they can reapply. For example, if there was information to support the application which was available to the Council, but not included in the papers provided at the hearing.
- 51.5 For, a technical error (as defined by the JP), the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.
- 51.6 **Refuse to approve or renew and quash the authorisation.** This applies where the JP refuses to approve or renew the authorisation and decides to quash the original authorisation. However, the court must not exercise its power to quash the authorisation unless the applicant has had at least 2 business days from the date of

the refusal in which to make representations. If this is the case, the officer will inform the Legal who will consider whether to make any representations.

- 51.7 The JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the Council's RIPA application and authorisation form and the judicial application/order form. The officer will retain the original authorisation and a copy of the judicial application/order form.
- 51.8 The Council may only appeal a JP decision on a point of law by judicial review. If such a concern arises, Legal will decide what action if any should be taken.
- 51.9 There is a Home Office chart showing the above procedure at <https://www.gov.uk/government/publications/changes-to-local-authority-use-of-ripa>. Click on the Guidance for Local Authorities (England and Wales) pdf. For further information or guidance, please contact Legal Service.

## **52. Post Court Procedure**

- 52.1 It will be necessary to work out the cancellation date from the date of approval and ensure that the applicant and the Authorising Officer is aware. The original application and the copy of the judicial application/order form should be forwarded to the RIPA Co-Ordinator. A copy will be retained by the applicant and if necessary by the Authorising Officer. The central register will be updated with the relevant information to comply with the Codes of Practice and the original documents filed and stored securely.
- 52.2 Where dates are set within the process such as reviews, they must be adhered to. This will help with demonstrating that the process has been managed correctly in line with the Codes of Practice and reduce the risk of errors.

## **53. Reviews**

- 53.1 When an application has been authorised and approved by a JP, regular reviews must be undertaken by the Authorising Officer to assess the need for the surveillance to continue.
- 53.2 In each case the Authorising Officer should determine how often a review should take place at the outset. This should be as frequently as is considered necessary and practicable. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides a high level of intrusion into private life or significant collateral intrusion, or confidential information. They will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However, reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required to ensure that the applicants submit the review form on time.
- 53.3 Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application which would include a change to the level of intrusion so that the need to continue the activity can be re-assessed. However, if the circumstances or the objectives have changed considerably, or the techniques to be used are now

different, a new application form should be submitted, and it will be necessary to follow the process again and be approved by a JP. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

- 53.4 Line managers of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.
- 53.5 The reviews are dealt with internally by submitting the review form to the Authorising Officer. There is no requirement for a review form to be submitted to a JP.
- 53.6 The results of a review should be recorded on the central record of authorisations.

## **54. Renewal**

- 54.1 A renewal form is to be completed by the applicant when the original authorisation period is about to expire but Directed Surveillance or the use of a CHIS is still required.
- 54.2 Should it be necessary to renew an authorisation for Directed Surveillance or CHIS, this must be approved by a JP.
- 54.3 Applications for renewals should not be made until shortly before the original authorisation period is due to expire. However, they must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant Authorising Officer and a JP to consider the application).
- 54.4 The applicant should complete all the sections within the renewal form and submit the form to the Authorising Officer for consideration.
- 54.5 Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusions issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.
- 54.6 If the Authorising Officer refuses to renew the application, the cancellation process should be completed. If the Authorising Officer authorises the renewal of the activity, the same process is to be followed as mentioned earlier for the initial application whereby approval must be sought from a JP.
- 54.7 A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

## **55. Cancellation**

- 55.1 The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the Directed Surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.

- 55.2 As soon as the decision is taken that Directed Surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations.
- 55.3 The Investigating Officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and detail if any images were obtained, particularly any images containing innocent third parties. The Authorising Officer should then take this into account and issues instructions regarding the management and disposal of the images etc. See sections 58 to 65 Safeguarding and the Use of Surveillance Material below.
- 55.4 The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what was authorised. This check will form part of the oversight function. Where issues are identified including errors, they will be brought to the attention of the Line Manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight and comply with the Codes of Practice.
- 55.5 When cancelling a CHIS authorisation, an assessment of the welfare and safety of the source should also be assessed, and any issues identified.
- 55.6 All cancellations must be submitted to the RIPA Co-Ordinator for inclusion in the central Record and storing securely with the other associated forms.
- 55.7 Do not wait until the 3 month period is up to cancel. Cancel it at the earliest opportunity when no longer necessary and proportionate. Line Managers should be aware of when the activity needs cancelling and ensure that staff comply with the procedure.**

## **Part F Central Record and Safeguarding the Material**

### **56. Introduction**

- 56.1 Authorising Officers, applicants and Line Managers of relevant enforcement departments may keep whatever records they see fit to administer and manage the RIPA application process. This includes the legal obligations under the Criminal Procedures and Investigations Act. However, this will not replace the requirements under the Codes of Practice, which includes the fact that the Council must hold a centrally held and retrievable record.

### **57. Central Record**

- 57.1 The centrally retrievable record of all authorisations will be held and maintained by the RIPA Co-Ordinator. It will be regularly updated whenever an authorisation is applied for, refused, granted, renewed or cancelled. The record will be made available to the relevant Commissioner or an Inspector from IPCO, upon request.



57.2 All original authorisations and copies of Judicial applications/order forms whether authorised or refused, together with review, renewal and cancellation documents, must be sent within 48 hours to the RIPA Co-Ordinator who will be responsible for maintaining the central record of authorisations. They will ensure that all records are held securely with no unauthorised access. If in paper format, they must be forwarded in a sealed envelope marked confidential.

57.3 The documents contained in the centrally held register should be retained for at five years from the ending of the authorisation or for the period stipulated by the Council's document retention policy, whichever is greater. The centrally held register contains the following information:

- If refused, (the application was not authorised by the AO) a brief explanation of the reason why. The refused application should be retained as part of the central record of authorisation;
- If granted, the type of authorisation and the date the authorisation was given;
- Details of attendances at the magistrates' court to include the date of attendances at court, the determining magistrate, the decision of the court and the time and date of that decision;
- Name and rank/grade of the authorising officer;
- The unique reference number (URN) of the investigation or operation;
- The title of the investigation or operation, including a brief description and names of subjects, if known;
- Frequency and the result of each review of the authorisation;
- If the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the authorising officer and the date renewed by the JP;
- Whether the investigation or operation is likely to result in obtaining confidential information as defined in this code of practice;
- The date the authorisation was cancelled;
- Authorisations by an Authorising Officer where they are directly involved in the investigation or operation. If this has taken place it must be brought to the attention of a Commissioner or Inspector during their next RIPA inspection.

57.4 As well as the central record the RIPA Co-Ordinator will also retain:

- The original of each application, review, renewal and cancellation, copy of the judicial application/order form, together with any supplementary documentation of the approval given by the Authorising Officer;
- The frequency and result of reviews prescribed by the Authorising Officer;

- The date and time when any instruction to cease surveillance was given;
- The date and time when any other instruction was given by the Authorising Officer;
- A record of the period over which the surveillance has taken place. This should have been included within the cancellation form.

57.5 These documents will also be retained for five years from the ending of the authorisation.

## **58. Safeguarding and the Use of Surveillance Material**

58.1 This section provides guidance on the procedures and safeguards to be applied in relation to the handling of any material obtained through Directed Surveillance or CHIS activity. This material may include private, confidential or legal privilege information. It will also show the link to other relevant legislation.

58.2 The Council should ensure that their actions when handling information obtained by means of covert surveillance or CHIS activity comply with relevant legal frameworks and the Codes of Practice, so that any interference with privacy is justified in accordance with Article 8(2) of the European Convention on Human Rights. Compliance with these legal frameworks, including Data Protection requirements, will ensure that the handling of private information obtained continues to be lawful, justified and strictly controlled, and is subject to robust and effective safeguards. The material will also be subject to the Criminal Procedures Investigations Act (CPIA).

## **59. Authorised Purpose**

59.1 Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. For the purposes of the RIPA codes, something is necessary for the authorised purposes if the material:

- Is, or is likely to become, necessary for any of the statutory purposes set out in the RIPA Act in relation to covert surveillance or CHIS activity;
- Is necessary for facilitating the carrying out of the functions of public authorities under RIPA;
- Is necessary for facilitating the carrying out of any functions of the Commissioner or the Investigatory Powers Tribunal;
- Is necessary for the purposes of legal proceedings; or
- Is necessary for the performance of the functions of any person by or under any enactment.

## **60. Handling and Retention of Material**

- 60.1 As mentioned above, all material associated and obtained with an application will be subject of the provisions of the Data Protection Act (DPA) 2018 and CPIA Codes of Practice. All officers involved within this process should make themselves aware of the provisions within this legislation and how it impacts on the whole RIPA process. Material obtained, together with relevant associated paperwork should be held securely. Extra care needs to be taken if the application and material relates to a CHIS.
- 60.2 Material required to be retained under CPIA should be retained until a decision is taken whether to institute proceedings against a person for an offence or if proceedings have been instituted, at least until the accused is acquitted or convicted or the prosecutor decides not to proceed with the case.
- 60.3 Where the accused is convicted, all material which may be relevant must be retained at least until the convicted person is released from custody, or six months from the date of conviction, in all other cases.
- 60.4 If the court imposes a custodial sentence and the convicted person is released from custody earlier than six months from the date of conviction, all material which may be relevant must be retained at least until six months from the date of conviction.
- 60.5 If an appeal against conviction is in progress when released, or at the end of the period of six months, all material which may be relevant must be retained until the appeal is determined.
- 60.6 If retention is beyond these periods it must be justified under DPA. Each relevant service within the Council may have its own provisions under their Data Retention Policy which will also need to be consulted to ensure that the data is retained lawfully and for as long as is necessary.

## **61. Use of Material as Evidence**

- 61.1 Material obtained through Directed Surveillance, may be used as evidence in criminal proceedings. The admissibility of evidence is governed primarily by the common law, the Criminal Procedure and Investigations Act 1996 (CPIA), the Civil Procedure Rules, section 78 of the Police and Criminal Evidence Act 1996 and the Human Rights Act 1998.
- 61.2 Ensuring the continuity and integrity of evidence is critical to every prosecution. Accordingly, considerations as to evidential integrity are an important part of the disclosure regime under the CPIA and these considerations will apply to any material acquired through covert surveillance that is used in evidence. When information obtained under a covert surveillance authorisation is used evidentially, the Council will be able to demonstrate how the evidence has been obtained, to the extent required by the relevant rules of evidence and disclosure.
- 61.3 Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements. In a criminal case the codes issued under CPIA will apply. They require that the investigator record and retain all relevant material obtained in an investigation

and later disclose relevant material to the Prosecuting Solicitor. They in turn will decide what is disclosed to the Defence Solicitors.

- 61.4 There is nothing in RIPA which prevents material obtained under Directed Surveillance authorisations from being used to further other investigations

## **62. Dissemination of Information**

- 62.1 It may be necessary to disseminate material acquired through the RIPA covert activity within the Council or shared outside with other Councils or agencies, including the Police. The number of persons to whom any of the information is disclosed, and the extent of disclosure, should be limited to the minimum necessary. It must also be in connection with an authorised purpose as set out in section 59 above. It will be necessary to consider exactly what and how much information should be disclosed. Only so much of the material may be disclosed as the recipient needs; for example, if a summary of the material will suffice, no more than that should be disclosed.
- 62.2 The obligations apply not just to this Council as the original authority acquiring the information, but also to anyone to whom the material is subsequently disclosed. In some cases, this will be achieved by requiring the latter to obtain permission from Rushmoor Borough Council before disclosing the material further. It is important that the Officer In Charge (OIC) of the enquiry considers these implications at the point of dissemination to ensure that safeguards are applied to the data.
- 62.3 A record will be maintained justifying any dissemination of material. If in doubt, seek advice.

## **63. Storage**

- 63.1 Material obtained through covert surveillance and CHIS authorisations, and all copies, extracts and summaries of it, must be handled and stored securely, so as to minimise the risk of loss. It must be held so as to be inaccessible to persons who are not required to see the material (where applicable). This requirement to store such material securely applies to all those who are responsible for the handling of the material. It will be necessary to ensure that both physical and IT security and an appropriate security clearance regime is in place to safeguard the material.

## **64. Copying**

- 64.1 Material obtained through covert surveillance may only be copied to the extent necessary for the authorised purposes set out above. Copies include not only direct copies of the whole of the material, but also extracts and summaries which identify themselves as the product of covert surveillance, and any record which refers to the covert surveillance and the identities of the persons to whom the material relates.
- 64.2 In the course of an investigation, the Council must not act on or further disseminate legally privileged items unless it has first informed the Investigatory Powers Commissioner that the items have been obtained.

## **65. Destruction**

65.1 Information obtained through covert surveillance, and all copies, extracts and summaries which contain such material, should be scheduled for deletion or destruction and securely destroyed as soon as they are no longer needed for the authorised purpose(s) set out above. If such information is retained, it should be reviewed at appropriate intervals to confirm that the justification for its retention is still valid. In this context, destroying material means taking such steps as might be necessary to make access to the data impossible.

## **Part G. Errors and Complaints**

### **66. Errors**

66.1 Errors can have very significant consequences on an affected individual's rights. Proper application of the surveillance and CHIS provisions in the RIPA codes and this Policy should reduce the scope for making errors.

66.2. There are two types of errors within the codes of practice which are:

- Relevant error and
- Serious error.

### **66.3 Relevant Error**

66.4 An error must be reported if it is a "**relevant error**". A relevant error is any error by a Public Authority in complying with any requirements that are imposed on it by any enactment which are subject to review by a Judicial Commissioner. This would include compliance by public authorities with Part II of the 2000 Act (RIPA). This would include with the content of the Codes of Practice.

66.5 Examples of relevant errors occurring would include circumstances where:

- Surveillance activity has taken place without lawful authorisation.
- There has been a failure to adhere to the safeguards set out in the relevant statutory provisions and Chapter 9 of the Surveillance Codes of Practice relating to the safeguards of the material.

66.6 All relevant errors made by Public Authorities must be reported to the Investigatory Powers Commissioner by the Council as soon as reasonably practicable and a full report no later than ten working days. The report should include information on the cause of the error; the amount of surveillance conducted, and material obtained or disclosed; any unintended collateral intrusion; any analysis or action taken; whether any material has been retained or destroyed; and a summary of the steps taken to prevent recurrence.

## **66.7 Serious Errors**

- 66.8 The Investigatory Powers Commissioner must inform a person of any relevant error relating to that person if the Commissioner considers that the error is a serious error and that it is in the public interest for the person concerned to be informed of the error. The Commissioner may not decide that an error is a serious error unless they consider that the error has caused significant prejudice or harm to the person concerned. The fact that there has been a breach of a person's Convention rights (within the meaning of the Human Rights Act 1998) is not sufficient by itself for an error to be a serious error.
- 66.9 It is important that all staff involved in the RIPA process report any issues, so they can be assessed as to whether it constitutes an error which requires reporting.

## **67. Complaints**

- 67.1 Any person who reasonably believes they have been adversely affected by surveillance activity by or on behalf of the Council may complain to the Borough Solicitor who will investigate the complaint. A complaint can also be made to the official body which is the Investigatory Powers Tribunal (IPT). They have jurisdiction to investigate and determine complaints against any Public Authority's use of RIPA powers, including those covered by this Policy.

- 67.2 Complaints should be addressed to:

The Investigatory Powers Tribunal

PO Box 33220

London

SW1H 9ZQ

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## NOMINATIONS FOR COUNCIL REPRESENTATION

### PART 1 - OUTSIDE BODIES

<b>1. Aldershot and Farnborough Festival of Music and Art</b>			
The Festival takes place each year in May and with objectives to promote excellence in the performing arts at all levels and to encourage the participation of the people of Rushmoor, of all ages and abilities.			
<b>Location and frequency of meetings</b>	<b>Membership and Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
Five times a year at 7.15 p.m. on a Monday at the Council Offices – Feb, June, Sept and Nov (AGM and Committee Meeting).	Up to three Members (cross Group representation)  This role is assisting a community link	Cllr Gaynor Austin Cllr Jules Crossley	Cllr Abe Allen Cllr Diane Bedford Cllr Jules Crossley Cllr Mara Makunura

<b>2. Basingstoke Canal Joint Management Committee</b>			
This Committee is administered by Surrey County Council (SCC) and is responsible for the oversight of the completion of the restoration of the Basingstoke Canal; the management and maintenance of the Canal as an environmental, navigational and recreational asset; and balancing the interests of all users of the Canal. Attended by representatives of local authorities and special interest groups			
<b>Location and frequency of meetings</b>	<b>Membership and Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
Twice a year at the Mytchett Canal Centre	Two Members and a Standing Deputy (requested by the Management Committee)  This role is a link to the responsibilities of SCC and with an expectation for informal feedback	Cllr J.H. Marsh Cllr P.G. Taylor  Standing Deputy: Cllr Jules Crossley	Cllr. A.H. Gani Cllr. P.G. Taylor  Standing Deputy: Cllr Jules Crossley



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<b>3. Blackbushe Airport Consultative Committee</b>			
The Consultative Committee provides a Forum for Blackbushe Airport to engage with local councils (parish, district and county) and other local interest groups and residents, related to airport business and events.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
Twice a year - March/Sept-Oct at the Pathfinder Café, Blackbushe Airport	One Member and a Standing Deputy (requested by the Consultative Committee)  This role is assisting a link to the business activities of the Airport with an expectation for informal feedback	Cllr P.J. Cullum  Standing Deputy: Cllr Jules Crossley	Cllr P.J. Cullum  Standing Deputy: Cllr Jules Crossley Cllr P.G. Taylor

<b>4. Blackwater Valley Advisory Panel for Public Transport</b>			
This a liaison meeting for representatives from local authorities across the Blackwater Valley area to consider the proposals of bus and train companies operating within the area which are likely to affect the interests of the populations of two or more member districts and to discuss and recommend proposals for the improvement of existing services. Attended by local authorities and representatives from bus and rail operators.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
4 times a year.  Meetings are currently being held virtually on Zoom starting at 2.00 p.m.	Cabinet Member with responsibility for public transport and one Member  Two Standing Deputies  This role is assisting a link to transport actives - expectation for informal feedback to the Council's Planning Policy Team.	Cabinet Member: Cllr A.R. Newell Cllr M.J. Roberts  Standing Deputies: Cllr Jules Crossley	Cabinet Member: Cllr G.B. Lyon Cllr M.J. Roberts  Standing Deputies: Cllr Jules Crossley Cllr Jonathan Canty

<b>5. Blackwater Valley Countryside Partnership</b>			
The aim of the Partnership is to provide a continuous green space alongside the Blackwater River as an attractive, safe, sustainable and wildlife rich environment for informal countryside recreation. The Partnership co-ordinates a programme of recreation and conservation tasks in the Blackwater Valley on behalf of the local authorities within the area – including Rushmoor Borough Council.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
Annual Meeting Further details to be confirmed	Two Members and up to two Standing Deputies  There is an expectation for informal feedback to the Council	Cllr. D.B. Bedford Cllr P.G. Taylor  Standing Deputies: Cllr Jules Crossley Cllr Nadia Martin	Cllr Mrs. D.B. Bedford Cllr G.B. Lyon  Standing Deputies: Cllr Jules Crossley Cllr Clive Grattan

<b>6. Brickfield Country Park, Friends of</b>			
The Friends Group was formed to maintain, protect wildlife, and improve the small Brickfield Country Park in Manor Park Ward, Aldershot.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
4 times a year	Three Manor Park Members  This role is assisting a community link	Manor Park Ward Councillors	Manor Park Ward Councillors

7.	<b>Cove Brook Greenway Group – Committee Meeting</b>			
	The Group works with Rushmoor Borough Council and the Environment Agency to look after Cove Brook, a wildlife rich greenway running through Farnborough, for the benefit of local people and wildlife.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	4 times a year at Blundon Hall, Farnborough	Two Members  This role is assisting a community link	Cllr L. Jeffers Cllr A. Adeola	Cllr A. Adeola Cllr C.P. Grattan Cllr Michael Hope

8.	<b>District Council's Network (DCN) Assembly</b>			
	The DCN is a Special Interest Group of the Local Government Association (LGA) and provides a single voice for all district councils within the LGA. Rushmoor is a Member Council.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Virtual Meetings – as called by DCN.  AGM Annual Conference	Leader of the Council	Leader of the Council Cllr D.E. Clifford	Leader of the Council Cllr D.E. Clifford

<b>9. Enterprise M3 Joint Leaders Board</b>			
The Joint Leaders Board brings together the elected leaders of the 15 partner councils within the Enterprise M3 Local Enterprise Partnership (LEP) with the purpose of strengthening local authority collaboration in support of EM3 and to enable collective discussion and local authority representation on priorities and issues affecting economic development and regeneration.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
Six times a year via Zoom	Leader of the Council  Standing Deputy: Deputy Leader	Leader of the Council Cllr D.E. Clifford  Standing Deputy: Deputy Leader	Leader of the Council Cllr D.E. Clifford  Standing Deputy: Deputy Leader

<b>10. Farnborough Aerodrome Consultative Committee (FACC)</b>			
The Consultative Committee provides a forum for TAG Aviation, the management of Farnborough Aerodrome, to engage with local authorities, airport users and local interest groups on a range of environmental and other airport issues.			
<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
3 times a year during the afternoon	Cabinet Member  One Member from a ward that adjoins the site (St Marks, Cove & Southwood, Empress, Knellwood, Wellington)  Standing Deputy  This role provides a link to the business activities of the Airport with an expectation of informal feedback to the Council.	Cabinet Member: Cllr M.L. Sheehan  Cllr P.G. Taylor  Standing Deputy: Cllr M.J. Tennant	Cabinet Member: Cllr M.L. Sheehan  Cllr Calum Stewart Cllr Gareth Williams Cllr Craig Card  Standing Deputy: Cllr M.J. Tennant

Page 184	<b>11. 457 Squadron Farnborough RAF Air Cadets</b>			
	Part of the RAF Air Cadets, this is a military themed youth organisation supported by the Royal Air Force.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Squadron HQ, St Christopher's Road, Cove, Farnborough  6 Meetings per year	One Member  This role is assisting a community link	Cllr Nadia Martin	Cllr Nadia Martin Cllr Peter Cullum

<b>12. Hampshire and Isle of Wight Local Government Association (HIOWLGA)</b>				
The Association provides a structure for collaboration between all local authorities in Hampshire, Portsmouth, Southampton and the Isle of Wight and represents the interests of local government in Hampshire and IOW.				
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Rota of authorities	Two Cabinet Members one of whom is the leader	Cllr D.E. Clifford	Cllr D.E. Clifford Cllr Jonathan Canty

<b>13.</b>	<b>Hampshire Health and Wellbeing Board</b>			
	This is a Hampshire County Council Board with responsibility for advancing health and wellbeing for people in Hampshire and to encourage integrated delivery of health services by health providers.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	HCC Winchester	Hampshire CC arrangements to appoint co-opted Deputy onto the Board for District/Borough Members	Cllr Michael Hope	Cllr Michael Hope (HCC appointment as required)

<b>14.</b>	<b>Hampshire Police and Crime Panel (PCP)</b>			
	The PCP is responsible for scrutinising and supporting the Police and Crime Commissioner (PCC) for Hampshire. The PCP is made up of representatives from each of the local authorities in the Hampshire Police area, including Portsmouth, Southampton and the Isle of Wight. Responsibilities include reviewing the draft Police and Crime Plan, reviewing, and having the power to veto, the PCC's proposed Council Tax precept levels and confirming and having the power to veto the Chief Constable's appointment.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Four times a year Hampshire County Council, Winchester	Leader or Cabinet Member	Cllr M.L. Sheehan Cllr J.B. Canty as Standing Deputy	Cllr M.L. Sheehan Cllr J.B. Canty as Standing Deputy

15.	<b>Hampshire Buildings Preservation Trust AGM</b>			
	The Organisation's purpose is to preserve the historical, architectural and constructional heritage of Hampshire by means of conservation and education.			
Page 186	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Annual Meeting	Two Members	Cllr Jess Auton Cllr Peter Crerar	Cllr Jess Auton Cllr G.B. Lyon Cllr Gareth Williams

16.	<b>Local Government Association – National General Assembly</b>			
	The General Assembly is a formal meeting which is part of the LGA's political governance structure. It considers strategic policy issues of national significance to local government.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Annual – Various locations	Leader of the Council	Leader of the Council Cllr D.E. Clifford	Leader of the Council Cllr D.E. Clifford

<b>17.</b>	<b>North Hampshire Area Road Safety Council</b>			
	The Road Safety Council meetings are intended to help promote and raise awareness of Countywide Road Safety Education Campaigns delivered by Hampshire County Council, Hampshire Police and the Hampshire Fire and Rescue Service. Meetings include officers from those organisations plus County and District Members together. Other representatives include those involved with cycling groups, driving organisations, pedestrians and equestrians.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Checking current arrangements with Hampshire Road Safety Team	One Member Standing Deputy	Cllr Mara Makunura  Cllr Peace Essien Igodifo as Standing Deputy	Cllr Abe Allen Cllr Mara Makunura  Standing Deputy Cllr Peace Essien Igodifo

<b>18.</b>	<b>PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee</b>			
	PATROL has been established to enable councils undertaking civil parking enforcement to exercise their functions under Section 81 of the Traffic Management Act 2004 and Regulations 17 and 18 of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007. PATROL provides for independent adjudication for appeals against civil traffic penalties.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Annually in July, Westminster, London	One Member is required  (The PATROL Adjudication Joint Committee Agreement (which Rushmoor is party to) requires nomination of a Councillor to the Joint Committee, even if that councillor is unable to attend meetings)	Cllr Christine Guinness	Cllr Christine Guinness



Page 188	<b>19. PCC Hampshire Gypsy and Traveller Community Support Panel (GTCSP)</b>			
	The GTCSP assists the Police and Crime Commissioner and other public service partners to develop and maintain a collaborative approach in relation to Gypsies, Travellers and Travelling Show people and their communities – planning for and providing appropriate facilities and working to eliminate discrimination			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Checking current position as to whether this group is still meeting	Cabinet Member and Cabinet Member Standing Deputy	Cabinet Member Cllr Adrian Newell	Cabinet Member Cllr G.B. Lyon

<b>20. PCC Violence Against Women and Girls Task Group (VAWG)</b>				
A Task Group launched by the PCC and Hampshire Constabulary to improve the Hampshire and Isle of Wight response to VAWG victims, ensuring that the needs of women and girls are at the heart of the strategic response by the criminal justice system, local authorities and community safety partners				
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Winchester	Nominated by the Leader Cabinet Member/Champion with responsibility	Cabinet Champion Cllr Mara Makunura	Cllr Mara Makunura

<b>21.</b>	<b>Parity for Disability</b>			
	A local charity based in Cove, Farnborough set up to support people with multiple disabilities, their families and carers, and actively works to meet students' evolving needs through specialist services and partnership working.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Day Centre, Whetstone Road, Cove	One Member and One Standing Deputy  This role is assisting a community link	Cllr S.J. Masterson  Cllr Gaynor Austin as Standing Deputy	Cllr S.J. Masterson  Cllr Gaynor Austin as Standing Deputy

<b>22.</b>	<b>Project Integra - Strategic Board</b>			
	Project Integra is a partnership of local authorities in Hampshire, Portsmouth and Southampton which delivers a combined approach to waste services. The Joint Municipal Waste Management Strategy sets out the strategic direction for the Partnership.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	3 Meetings a Year: 1x in person at HCC Winchester 2x meetings on Teams	Cabinet Member with responsibility for waste management	Cabinet Member Cllr M.L. Sheehan	Cabinet Member Cllr M.L. Sheehan

Page 190	<b>23. Royal British Legion (Farnborough Branch) Remembrance Day Arrangements</b>			
	Armed Forces Charity supporting the Armed Forces community and Remembrance Day arrangements and events.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	The Royal British Legion, 51 Cambridge Road East, Farnborough, GU14 6QB	Two Members  This role is assisting a community link	Cllr Mrs D.B. Bedford Cllr C.P. Grattan	Mrs D.B. Bedford Cllr C.P. Grattan

	<b>24. Citizens Advice Rushmoor Trustee Board</b>			
	Part of the national Citizens Advice network, Citizens Advice Rushmoor is an independent charity which offers free, confidential, impartial, and independent advice and information services – with two main offices in Farnborough and Aldershot. The Board of Trustees is responsible for the quality and type of services provided and sets the overall direction for the organisation. The Board supports the development of the organisation, monitors performance, manages finances and works to ensure services meet the needs of the local community.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Meetings held in Person  8-10 Board Meetings a year and Trustee development day	Two Members to join as Trustees  Representatives of different Groups  Expectation of report back to the Council – linked to updates at OSC/PPAB as appropriate	Cllr C.J. Stewart Cllr Gaynor Austin	Cllr Gaynor Austin (standing Trustee)

<b>25.</b>	<b>Rushmoor Voluntary Services (RVS) Board</b>			
	RVS are the Council for Voluntary Service (CVS) in Rushmoor. Its role in the community is to champion volunteering and to support any voluntary or community group working in Rushmoor. It is a hub for organisations wanting to promote their services; for those seeking volunteer help and for those seeking to make links with other organisations in the area. RVS also manages a number of projects that provide community benefit. Rushmoor provides core funding for RVS and the Board of Trustee Meetings are responsible for ensuring effective governance and scrutinising the work undertaken.			
	<b>Location and frequency of meetings</b>	<b>Council and Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	6 meetings a year Meetings held virtually via Teams	One Member to join Board Meetings - Not as Trustee  Expectation of report back to the Council – linked to updates at OSC/PPAB as appropriate	Cllr S.J. Masterson	Cllr S.J. Masterson Cllr Becky Williams

<b>26.</b>	<b>Rushmoor Accessibility Action Group</b>			
	A new Group which is forming to support improved access for people in the Borough through the shared views of different organisations. An introductory meeting was held in March 2022.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Quarterly meetings held in the evening at the Council Offices/hybrid	Cabinet Champion for Equalities  To confirm requirements	Cllr Mara Makunura Cllr S.J. Masterson Cllr Sarah Spall	Cllr Mara Makunura Cllr Jib Belbase Cllr Dhan Sarki

Page 192	<b>27. South East Employers (SEE) – Annual General Meeting</b>			
	SEE is an employer’s organisation for local authorities in the South East to represent member councils’ collective interests at a regional and national level. SEE provides expert knowledge, training and advice on employment and workforce matters, and supports Members’ Learning and Development.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Annual Meeting held in July each year  Voting to appoint the Chair, Vice-Chairs and the Executive Committee takes place at the AGM in July	Cabinet Member with responsibility for HR/People One Member as Standing Deputy  Full role profile prepared by SEE is available from the Democracy Team	Cabinet Member Cllr P.G. Taylor  Standing Deputy: Cllr J.B. Canty	Cabinet Member Cllr Jonathan Canty  Standing Deputy: Cllr Abe Allen Cllr Paul Taylor

	<b>28. Thames Basin Heaths Joint Strategic Partnership Board</b>			
	A Partnership to enable joint working, liaison and the exchange of information between local authorities and other organisations affected by the Thames Basin Heaths (TBH) Special Protection Area (SPA). It will address matters relating to the long-term protection of the TBH SPA arising from planning permissions for new residential development, and associated land management and planning issues that are of joint interest to the member organisations. Attendance includes 14 local authorities, Natural England, and major landowners.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Twice a year during the day with additional meetings scheduled if necessary – held virtually	Cabinet Member with responsibility for planning policy	Cabinet Member Cllr Adrian Newell	Cabinet Member Cllr Gareth Lyon

<b>29.</b>	<b>Wellesley Residents Trust Board of Directors</b>			
<p>Under the terms of the S106 agreement for the Wellesley Development the developers were required to set up an Estate Management Company (EMC) to maintain and manage the open spaces and estate areas of the development, with Rushmoor BC entitled to become a member of the company and nominate a representative to be appointed as a director of the company. The appointment is to act as the Council's representative on the estate management company – Wellesley Residents Trust Ltd. to help ensure that the obligations of the EMC are fulfilled in accordance with the agreed Estate Management Plan.</p>				
<b>Location and frequency of meetings</b>		<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
To be advised		<p>One Member to be appointed as a Director to the Residents Trust</p> <p>Copy of background report available from Democracy Team</p>	<p>Cllr Jib Belbase</p> <p>Cllr Nadia Martin as Standing Deputy</p>	<p>Cllr Jib Belbase</p> <p>Cllr Nadia Martin as Standing Deputy</p>

**PART 2 – COUNCIL GROUPS, PARTNERSHIPS AND BOARDS**

Page 194	<b>30. Hampshire Cultural Trust - Aldershot Military Museum Strategic Local Agreement and West End Centre Management Committee</b>			
	The Museum and the West End Centre are operated by the Hampshire Cultural Trust, and annual meetings are held with each venue's management to review and report on projects and activities, community and partnership working, budgets and future venue plans.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Aldershot Military Museum once a year - daytime	Two Members (one from each Group)	Cllr Mrs D.B. Bedford Cllr Jules Crossley	Cllr Mrs D.B. Bedford Cllr Jules Crossley
	West End Centre, Aldershot Twice a year – to be confirmed	Expectation for informal feedback to the Council		

Page 194	<b>31. Safer North Hampshire – Community Safety Partnership</b>			
	The Partnership oversees community safety issues across Rushmoor, Hart and Basingstoke			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	3 times a year by rotation of the local authorities	Cabinet Member with responsibility for community safety	Cabinet Member Cllr M.L. Sheehan	Cabinet Member Cllr M.L. Sheehan

<b>32.</b>	<b>Crime and Disorder Joint Scrutiny Committee (Hart/Basingstoke/Rushmoor)</b>			
	A Joint Scrutiny Committee between Hart DC, Basingstoke and Deane BC and Rushmoor BC with responsibility for the Performance Review of the Safer North Hampshire Community Safety Partnership in relation to its crime and disorder functions.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	Once a year Next meeting – Tuesday 13th June at the Rushmoor Borough Council Offices	Three non-executive members including the Chairman and/or vice chairman of OSC  To reflect proportionality: 2 Conservatives 1 Labour	Two representatives from the Chairmen and Vice-Chairmen of the OSC Committee  Cllr K. Dibble	Chairman and Vice-Chairman of the OSC Committee  Cllr K. Dibble

<b>33.</b>	<b>Rushmoor Development Partnership LLP (RDP) Board</b>			
	The RDP brings together Rushmoor Borough Council and development partner, Hill Investment Partnerships Ltd, to deliver major regeneration schemes across the Borough. The Board, which comprises representatives from both Hill and the Council, is responsible for all major financial and business decisions; including setting and approving budgets, approving all unbudgeted expenditure, decisions on the sale and purchase of land, approving investment plans and projects plans and material variations to plans.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
		Cabinet Member with Responsibility for Major Projects Chief Executive Executive Director	Cllr M.J. Tennant Chief Executive Executive Director (KE)	Cllr M.J. Tennant Chief Executive Executive Director (KE)



Page 196	<b>34. Rushmoor Housing Ltd (RHL) - Board of Directors</b>			
	RHL has been set up to provide quality homes for rent in the Borough.			
	<b>Location and frequency of meetings</b>	<b>Membership Requirements</b>	<b>Representatives 2022/23</b>	<b>Nominations for 2023/24</b>
	The Board meets approximately every six weeks depending on the timing of key decisions	Cabinet Member for Corporate Services Representative from the Labour Group	Cllr P.G. Taylor Cllr K Dibble Cllr Marina Munro	Cllr P.G. Taylor Cllr S. Trussler Cllr Gareth Williams