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Internal Audit Draft Report
Boston Town Area Committee
Governance Review
Date: September 2021

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Background and Context

Boston Town Area Committee (BTAC) gives local people a means to influence Council decision making, share opinions and contribute to positive changes in their neighbourhood. Comprising of all elected Members representing the town wards of Boston, its role is to :

- Exercise and perform the powers and duties of the council in respect of the non-parished Boston town area of the borough for those services and functions delegated to it.
- Take responsibility for the town's Special Area Expense Account (SAEA).
- Reflect and represent the views of town wards and residents.

BTAC provides and maintains parks, open spaces, play areas, town events, public toilets and other facilities and services mainly intended for the use and benefit of its residents and monitors and reviews the performance of services within its responsibility.

It works with residents, businesses and community groups supporting initiatives that have a direct benefit and positive

impact on their area and communities, awarding Community Grants to town-based organisations and events.

It acts as a consultee on major initiatives, projects and development affecting the town area and considers applications for planning permission and other consents and related matters.

Scope

This review has sought to provide assurance over the effectiveness of BTAC's governance arrangements and operations to ensure that they are fit for purpose.

We reviewed the Committee's processes and included the following areas:

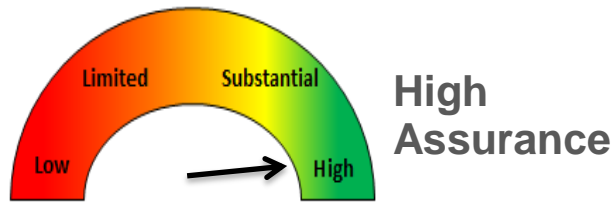
- Governance arrangements for effective oversight, reporting and decision making (including roles and responsibilities)
- Compliance with policies and procedures, including the Council's Constitution and delegated authority
- Financial oversight and reporting arrangements
- Adequacy of decision making and approval processes.

Background and Scope

We met with the Assitant Director, Support Services and Partnership, the Chairman of BTAC, and other key officers at Boston Borough Council (BBC) and PSPS Ltd to obtain an understanding of the governance arrangements, accountability of finances and administration of the Small Grant Funding Scheme. Supporting documentation/reports were reviewed and procedures examined to determine the effectiveness of the arrangements.

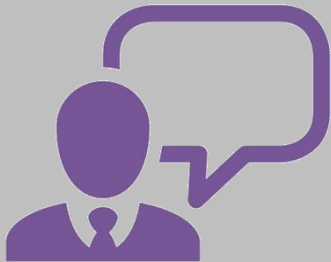
The review has not covered the formation of a Town Council as a separate request for a Community Governance review has been put forward for approval by full council.

Executive Summary



Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Risk 1 – Governance arrangements are not fit for purpose, including those for managing the governance structure and meetings.	Green	0	0
Risk 2 – There are ineffective processes in place to ensure that the provision of services by BTAC complies with its terms of reference and delegated authority.	Green	0	0
Risk 3 – Financial controls are ineffective to ensure that BTAC operates within the allocated budget for the town area.	Green	0	0
Risk 4 – There is a lack of clarity and transparency in decisions made; decisions are made beyond its powers.	Green	0	0

Key Messages



Overall we can provide a high level of assurance around the effectiveness of BTAC’s governance arrangements and operations, confirming that they are firmly established, documented, and fit for purpose.

Detailed Terms of Reference exist, that confirm the role and duties of BTAC. Delegated powers are clearly outlined and allow the Committee to achieve its aims appropriately and transparently.

Duly elected committee members have the right skills, knowledge, and experience to effectively carry out their roles and responsibilities. Comprehensive induction packs are provided to new members and training in specific areas offered to existing members, if required. Members adhere to the Council’s Member Code of Conduct, with all completing the required Disclosable Pecuniary and Local Choice Interest Forms.

Executive Summary

Key Messages



Whilst the Covid 19 pandemic impacted on BTAC's ability to hold meetings at the beginning of the year, regular meetings have been held since August 20, that were well attended by members and relevant officers from the Council. When required, sub-committees/working groups have been established with formally agreed objectives and clear reporting lines.

BTAC meeting agendas are clear and concise and contain sufficient information to enable the public to fully understand what matters are being considered. There are opportunities for members of the public to raise questions/concerns at meetings, with agendas, minutes and supporting papers all available on the Council website for the public to view.

Meeting minutes clearly reflect discussions held and reasons for decisions. Actual or potential conflicts of interest are disclosed at the beginning of meetings with evidence of members, where relevant, withdrawing from the decision-making process.

The Committee is kept fully informed of small grant funding applications, work of the BTAC Operatives, events programmes etc. A detailed 'Work Programme' ensures matters requiring regular consideration are discussed and new items are scheduled for future meetings.

Review of minutes and supporting reports confirm BTAC is working within its Terms of Reference and delegated powers, with issues of significance reported to Cabinet for formal approval, when required.

Responsibilities for financial management and reporting of the SAEA are clearly defined, with regular reconciliation and detailed monitoring undertaken. Approval of the BTAC annual budgets and precept is evident, with detailed work papers clearly outlining funding arrangements and budget/precept requirements over a 5-year period. Budget estimates appear reasonable, and the level of reserves held acceptable.

Executive Summary

The financial position of the SAEA, together with reports outlining the financial impact of any decisions made re specific BTAC activities, are regularly reported to Committee, enabling fully informed decisions on spending to be made.

Small Grant Funding applications are correctly completed, appropriately considered, and approved and fully meet the terms and conditions of the grant and the expectations of BTAC. Decisions taken by the Small Grants Working Group, endorsed by BTAC, are clearly documented and fully transparent.

Comprehensive annual reports outlining the work of BTAC are produced, it is acknowledged that the 20/21 report is currently being prepared.

We have made three advisory points which management may wish to consider relating to Pecuniary/Local Choice Interest Forms and the location/submission of the Annual report.

We would like to thank the staff who provided their time and assistance to support the completion of the audit.

Executive Summary

Managing your risks



Good risk management, including maintaining risk registers, helps you to identify, understand and reduce the chance of risks having a negative impact on achievement of your objectives.

During our audit work we did not identify any additional significant or high risks that we feel should be considered for inclusion on your service Operational Risk Register.

Management Response

Management Response



The outcome of this audit with its high level of assurance given for the effectiveness of BTAC's governance arrangements and operations is welcomed. It is also pleasing that the audit did not identify any additional significant or high risks requiring action and the advisory points raised to help further improve performance, will be considered as a priority.

I would like to thank Assurance Lincolnshire for the support we have received throughout this governance review.

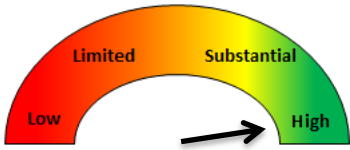
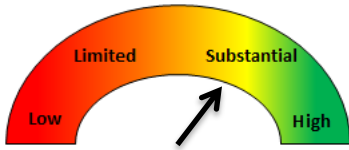
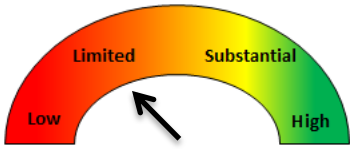
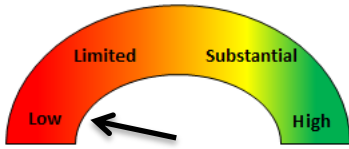
Assistant Director – Support Services & Partnerships

Advisory Points – Adding Value through Efficiencies

The following items are advisory recommendations / comments arising from the audit, which management may wish to consider implementing to improve efficiency of the system or performance.

Ref	Finding	Advice
AP1	Review of Disclosable Pecuniary and Local Choice Interest Forms identified a few minor instances of forms not fully completed i.e. individual answer boxes left blank, rather than stating 'none' or declaring an interest.	To ensure Disclosable Pecuniary and Local Choice Interest Forms are fully completed i.e. no boxes left blank, thereby providing assurance that all questions have been fully considered.
AP2	There is no clear link on the Boston B.C website to easily locate and view BTAC Annual Reports. Reports are currently held within the relevant meeting minutes.	A clear link/pathway be created on the Boston B.C website to enable members/residents to easily access Annual Reports.
AP3	There is no formal requirement for the BTAC Annual Report to be submitted to Cabinet.	Consideration be given to providing Cabinet with a copy of the BTAC Annual Report for information purposes to ensure that they are kept fully informed of the work and achievements of BTAC.

Appendix 1 - Assurance Definitions

High	Substantial
<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p>  <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate, and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
Limited	Low
<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p>  <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore, the risk of the activity not achieving its objectives is high.</p>

Appendix 1 - Assurance Definitions

Action Priority	
High	Immediate management attention is required - an internal control or risk issue where there is a high certainty of: substantial loss / non-compliance with corporate strategies, policies or values / serious reputational damage / adverse regulatory impact and / or material fines (action taken usually within 3 months).
Medium	Timely management action is warranted - an internal control or risk issue that could lead to financial loss / reputational damage / adverse regulatory impact, public sanction and / or immaterial fines (action taken usually within 6 to 12 months).

Distribution List



Boston B.C

Phil Perry – Assistant Director, Support Services & Partnerships

Adrian Sibley – Section 151 Officer

Alison Penn – Deputy Chief Executive (People)

James Gilbert – Interim Deputy Chief Executive (People)

BTAC

Cllr. Paul Goodale (Chairman)

PSPSL

Tim Sampson – Strategic Finance Manager

External Audit

Disclaimer

The matters raised in this report are only those which came to our attention during our internal audit work. Our quality assurance processes ensure that our work is conducted in conformance with the UK Public Sector Internal Audit Standards and that the information contained in this report is as accurate as possible – we do not provide absolute assurance that material errors, fraud or loss do not exist.

This report has been prepared solely for the use of Management of Boston Borough Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.