



Please reply to:

Contact: Dan Skerten
Service: Committee Services
Direct line: 01784 446240
E-mail: d.skerten@spelthorne.gov.uk
Date: 14 June 2017

Notice of meeting

Audit Committee

Date: Thursday, 22 June 2017

Time: 7.30 pm

Place: Goddard Room, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Audit Committee

Councillors:

M.J. Madams (Chairman)
D. Patel (Vice-Chairman)
T.J.M. Evans

J.G. Kavanagh
B.B. Spoor
H.A. Thomson

H.R.D. Williams

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

www.spelthorne.gov.uk customer.services@spelthorne.gov.uk Telephone 01784 451499

RESPONSIBILITIES OF THE AUDIT COMMITTEE

Purpose

To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process

Core Functions

- (a) To approve (but not direct) the internal audit's strategy, plan and performance.
- (b) To review summary internal audit reports and the main issues arising, and to seek assurance that action has been taken where necessary.
- (c) To consider the reports of external audit and inspection agencies.
- (d) To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements. Seek assurances that action is being taken on risk related issues identified by auditors and inspectors.
- (e) To be satisfied that the Authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and to take actions required to improve it.
- (f) To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- (g) To review the financial statements, external auditors opinion and reports to members, and monitor management action in response to the issues raised by external audit.

AGENDA

Page nos.

- 1. Apologies**
To receive any apologies for absence.
- 2. Minutes** **5 - 6**
To confirm the minutes of the meeting held on the 18 May 2017.
- 3. Disclosures of Interest**
To receive any disclosures of interest from Councillors in accordance with the Council's Code of Conduct for members.
- 4. Corporate Risk Management** **7 - 22**
To receive a report from the Internal Audit Manager.
- 5. Recruitment and retention** **To Follow**
To receive a report from the Group Head for Commissioning and Transformation on the Council's approach to recruitment and retention.
- 6. Internal Audit Work Summary 2016-17** **23 - 38**
To receive a report from the Internal Audit Manager.
- 7. Committee Work Programme** **39 - 40**
To consider and approve the work programme for the municipal year 2017-18.

This page is intentionally left blank

**Minutes of the Audit Committee
18 May 2017**

Present:

Councillor M.J. Madams (Chairman)
Councillor D. Patel (Vice-Chairman)

Councillors:

J.G. Kavanagh H.R.D. Williams

Apologies: Councillors T.J.M. Evans, B.B. Spoor and H.A. Thomson

418/17 Appointment of Chairman

It was proposed by Councillor D. Patel and seconded by Councillor H. Williams and:

Resolved that Councillor M.J. Madams be appointed Chairman of the Audit Committee for the forthcoming Municipal Year 2017/2018.

419/17 Minutes

The minutes of the meeting held on 23 March 2017 were approved as a correct record.

420/17 Appointment of Vice-Chairman

It was proposed by Councillor M.J. Madams and seconded by Councillor H. Williams and:

Resolved that Councillor D. Patel be appointed Vice-Chairman of the Audit Committee for the forthcoming Municipal Year 2017/2018.

This page is intentionally left blank

Audit Committee**22 June 2017**

Title	Corporate Risk Management		
Purpose of the report	To note		
Report Author	Internal Audit Manager, Punita Talwar		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Audit Committee notes the Corporate Risk Management report.		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 The Corporate Risk Register ensures key risks are identified, managed and monitored. Management Team has reviewed the Corporate Risk Register (**Appendix 1**).
- 1.2 There are a number of significant issues to report as follows:
 - (a) **Corporate Health and Safety (1)** - The Health and Safety Policy has been updated and is due to go to Cabinet for approval and adoption on 21 June 2017. To ensure delivery of the annual rolling management activity programme, Health and Safety Champions have been identified in each Service area. The inspection process across the authority requires strengthening to ensure inspections are routinely conducted (where necessary) and consistently evidenced. This required action has been highlighted before on the Corporate Risk Register and discussed many times at Corporate Risk Management Group.
 - (b) **Information Governance (7a)** – Mandatory Data Protection training has been organised for staff in June and July 2017 to highlight the implications of the new General Data Protection Regulations (GDPR). To ensure compliance with statutory obligations the Information Governance Officer has highlighted the need for information flows to be mapped and Information Asset Owners identified as well as mandatory Freedom of Information (FOI) training (see two new risk mitigating actions).
 - (c) **ICT Security (8)** – Spelthorne achieved Public Sector Network (PSN) compliance certification in March 2017. In light of the increased risks for

any organisation posed by cybercrime, an Internal Audit review is scheduled for July to consider measures being taken to protect the authority from Cyber Security threats as well as an assessment of the adequacy of the authority's planned response to any such attacks. The ICT SIG group have highlighted the requirement to proceed with a network refresh which has become overdue (new action). Management team are encouraging ICT to develop solutions which are flexible in view of the political leadership having expressed a preference to redevelop the Knowle Green site rather than relocate the council offices. The ICT strategy also requires presentation to and approval by Management Team, followed by implementation.

- (d) **Failure in service delivery (10)** – Human Resources have reviewed development needs for recently appointed Group Heads and Deputies and presented information to the DCX'S. DCX's and Group Heads have agreed that one of the priority training needs is improving resilience with respect to skills relating to disciplinary and grievance processes and HR have commissioned training. The Human Resources Manager or Group Head for Commissioning and Transformation will be attending the June Audit Committee to provide an update on measures being taken to address a number of personnel issues such as succession planning and resilience arrangements, recruitment and retention, training and support (as requested). In view of the imminent departure of Spelthorne's Chief Executive from September, the Audit Committee have requested assurance that the recruitment process is underway and on target (new action). The Leader rather than Management Team is overseeing this process.
- (e) **Code of Corporate Governance (13)** – Review of this code remains outstanding. This is important to promote high standards of conduct and behaviour.
- (f) **Procurement (14a)** – A number of recommendations have been raised as part of an Internal Audit Review conducted in January 2017. In particular, full compliance with the Local Government Transparency Code is required (we are only partially compliant), Procurement and Contract Management guidelines need updating to reflect regulatory requirements , which should be followed by staff training/awareness sessions.
- (g) **Housing (15)** - Management Team to continue to monitor the pressures facing the Housing Service arising from statutory changes and external factors.
- (h) **Safeguarding (19)** - The operational side of making referrals to Surrey Children Services is considered difficult by the Joint Heads of Community Wellbeing. In some instances the response is inadequate and Spelthorne staff are being asked to convey messages to children and young people which they themselves feel very uncomfortable with. Meetings with Senior Social Services staff to try to address the working relationship between Spelthorne Safeguarding Officers and Children's

Services took place in May 2017. This area requires ongoing monitoring and review.

- (i) **Debt Recovery (23 & 15)** – Corporate Debt Group meetings have reconvened and are held regularly, chaired by the Deputy Chief Executive (Terry Collier). It is considered timely therefore to review and refresh the terms of reference for the Corporate Debt Group and to progress internal audit recommendations through this group, in particular actions relating to the monitoring and recovery of outstanding aged debt and the governance of the recovery process (new action).

2. Options analysis and proposal

Either:

- i. To note and accept the contents of the Corporate Risk Register. The revised register is considered to be an accurate reflection of the high level risks affecting the Authority, as well as the progress made on actions previously proposed, based on our assessment of risk and controls in operation. (Preferred option)

Or:

- ii. To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

3. Financial implications

- 3.1 Resources required (staff time) to implement actions proposed in the Corporate Risk Register should be contained within existing budgets as far as possible. There may however be some areas where additional resource /time/management support is required in order to implement risk mitigating actions.

4. Other considerations

- 4.1 The Corporate Risk Register covers a wide range of risks and associated consequences including failure to deliver corporate objectives, failure in service delivery, financial losses, poor value for money, health and safety incidents, legal challenges and reputational damage. The three most significant risks identified as part of this review include potential failure in Service Delivery, Procurement/Contract Management and Safeguarding. Management Team may therefore need to assess if these areas require further resource/time and support.

5. Timetable for implementation

- 5.1 The Corporate Risk Register shows officers responsible for progressing actions, together with target timescales for implementation. The register is reviewed and updated three times a year by Audit Services.

Background papers: There are none.

Appendices: Appendix 1 – Corporate Risk Register

APPENDIX 1

CORPORATE RISK REGISTER

This register summarises the Councils most significant risk. It sets out controls in place and identifies any further action needed to mitigate risks. Actions are assigned to appropriate officers with target dates for implementation.

Level of risk: Likelihood vs. Impact on a scale of 1 (lowest) to 4 (highest)

Content reviewed June 2017 by the Internal Audit Manager

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		1. Health and Safety failing resulting in death or serious injury to staff /public and legal action against the Council	2	4	4	Policies and SHE (Safety Health and Environment) system .The Health and Safety, Insurance and Risk Administrator manages the SHE Database, overseen by the Health and Safety, Insurance and Risk Manager. Managers have a legal requirement to conduct regular risk assessments. Induction training. Annual reminders have been introduced to encourage all employees to complete/update health and safety risk assessments (DSE, Homeworking, and Service). The SHE system is being used to ensure that automatic reminders are set for completion and renewal of risk assessments. Annual health and Safety checklist and compliance programme for Managers communicated at a Manager's Briefing in December 2016. Personal Safety Training provided and Lone Worker protection process being pursued. Safety Champions	<i>1i. Recommendations raised in an Internal Audit review of January 2017 are being pursued . There is scope to tighten up controls relating to training and the 2017 Management activity/compliance programme 1ii. The inspection process across the authority needs to made more robust - regular inspections to be carried out and consistently documented to ensure evidence is available. (NEW)</i>	HSIRM/ SEHM/ MAT/ All Group Heads *	31 August 2017 *R Requires Monitoring	1i. Progress on key recommendations is set out below: <ul style="list-style-type: none"> The Health and Safety Policy has been updated and will go onto Cabinet for adoption on the 21 June 2017. (Implemented) The Health and Safety Officer has developed an annual rolling plan of actions and activities for Managers such as conducting annual risk assessments and inspections. To ensure the delivery of the annual rolling plan, Champions for Health and Safety have been identified in each Service area to implement the necessary actions. The Health and Safety Officer is in the process of arranging training sessions for all staff on the use of SHE. These will take place through June and July. The Managers and Team Leaders Guide to Health and Safety will (once completed) include instructions for the use of SHE
		2. Uncertainty surrounding the financial /economic/other consequences of contaminated land. Legal action against the Council.	2	4	4	Legal duty to inspect land and prioritise action. Documented records of all site investigations and assessments held. A separate risk assessment is held which is reviewed regularly. Reports periodically issued to Management Team and Cabinet.	<i>2.The Contaminated Land Strategy to be finalised and approved by Cabinet (June 2017).</i>	SEHM*	30 June 2017 *R Completed/ Ongoing Monitoring	Contaminated land risk assessment was reviewed in November 2016, with the next review due November 2018, or sooner if need be. The contaminated land strategy has been prepared and is due to go to Cabinet for adoption in June 2017.
		3. Disaster- major in borough, e.g. flooding, resulting in significant strain on council services	2	4	4	Corporate Emergency Plan updated January 2016. Multi- agency flood plan completed December 2015. Function being delivered via the Mutual Applied Resilience Service. Membership of Local Resilience Forum (LRF). Regular testing of Emergency Assistance Centre plan. Borough Emergency Centre Plans.Improvements made to the Business Emergency Centre (BEC) by ICT. Incident management training and exercising. The two DCX's have attended Multi-Agency Gold Command Courses. Emergency Response requirements remain the responsibility of the authority. Contract agreement in place with Applied Resilience, with increased resilience and support for Emergency Planning. Prevent Strategy training,	<i>3. Monitoring the agreement with Applied Resilience should incorporate specific targets and expected outcomes in order to measure actual performance. Monitoring needs to be meaningful and clearly evidenced.</i>	CX (RT)/ GH C & T*	31st August 2017 (R*). Requires Monitoring	Audit Services have held discussions with Group Head for Commissioning and Transformation regarding the importance of monitoring the agreement with Applied Resilience. As part of the Governments Prevent Strategy relating to Counter Terrorism, Applied Resilience have provided training to front line officers as well as an awareness briefing session at a recent Corporate staff meeting (March 2017).

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		4. Failure to manage corporate and service performance / failure to meet Council objectives and targets (Performance Management)	2	3	3	The Corporate Plan sets out targets for the authority which should be monitored by Members and Management Team. Service performance should be monitored by Management Team. Individual performance should be monitored through the appraisal process. Flagship project performance is reported to Management Team and Members. Performance Management Working Group has been established to improve monitoring arrangements. Revised Corporate Plan approved and publicised.	<i>4i. An internal audit review conducted in October 2016 identified scope for improvement including re-establishing annual performance reviews of Service Plans, ensuring a clear Service Plan guideline and timetable is communicated, scheduling performance indicator returns into the Cabinet forward plan, scope to make some existing performance indicator's more meaningful and improved monitoring of the staff appraisal process. A number of positive steps have been since taken.</i>	MAT / DCX LO/GH C & T	31 August 2017 * Requires Monitoring	See also risk category 5 below. Service Planning timetable issued together with revised templates for the 17/18 Service Planning and Annual Performance review process. Quarterly reporting takes place on performance indicators.
		5. Failure to align service objectives to corporate aims and priorities / Failure to deliver services effectively due to poor service planning	2	3	3	The Corporate Planning process should set out a clear vision for the authority and specific targets. Some services have statutory responsibilities. Individual Service Plans should be derived from the Council's Corporate Plan and statutory/other responsibilities. Plans incorporate resources, risks, workforce, significant projects and performance indicators.	<i>5i. Service Plans are being prepared, taking into account the latest Corporate Plan and priorities. They will be made available on Spelnet, enabling other services to assess the likely impact. See actions also at risk category 4.</i>	Group Heads/ MAT / DCX LO/GH C & T	31 August 2017 *R Requires Monitoring	See also risk category 4 above. 5i. Service Plans for 2016/17 have been prepared following the restructure and placed on Spelnet. The majority of Service Plans for 2017/18 have been completed.
Page 12		6. Failure of projects due to poor project management arrangements. Lack of resource and expertise to deliver and coordinate asset related/other projects whilst continuing to maintain services.	2	3	3	1. Project management arrangements are in place including process for project initiation, consideration of resources available to deliver, identification of project risks and progress reporting processes. Corporate Project Register updated as necessary. Corporate Project team is in place. The Council's Management Team ensures project documentation is completed, resource implications assessed and agreed control processes adhered to. On a quarterly basis a report goes to MAT, Cabinet Briefing and Overview and Scrutiny committee outlining progress made with projects and the work of the corporate project team.	<i>6.1 i. Development of a Contract and Procurement Hub by December. 6.1 ii. Prepare an action plan for the implementation of the Hub.</i>	MAT /GH C & T*	31 December 2017 *O Requires Monitoring	A plan is held for the development and implementation of a Contract and Procurement hub, setting out the Council's strategic approach to Procurement.
	<i>6.1 iii Management team to consider limited capacity and revenue implications prior to approving additional / new projects. 6.1iv. The Projects Assurance Officer to promote the importance of following correct procurement processes in delivering projects.</i>						MAT	Ongoing monitoring	Approx. 35 projects are currently being tracked through the Project Office and TaSF programme. Resourcing of projects remains an ongoing challenge. The Project Assurance Officer will be focussing on procurement in the projects process during the coming months.	
						2. Staines upon Thames - The Group Head for Regeneration and Growth oversees Staines upon Thames regeneration with support from consultants. 5 work streams have been fully defined and documented.	<i>6.2. A number of options are being considered for the Bridge Street site.</i>	GH R & G *	31 August 2017 *R Requires monitoring	Developer Bellway pulled out of acquiring the Bridge Street site in 2016. The Council is therefore considering options.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
						3. Towards a Sustainable Future - The programme for this challenging initiative identifies roles, responsibilities, key deadlines, financial implications and risks. There are three work streams/mini programmes falling under the overall TaSF programme. MAT have assigned resources to the main areas of the TaSF programme, and projects are underway. The TaSF Programme Support Officer coordinates all three main work streams under the TaSF programme, reporting to the Group Head for Commissioning and Transformation who currently oversees the direction of the programme. TaSF structural review completed with the Group Head appointments from April 2016 and Deputies from July 2016. Review completed of document retention and electronic data management systems	6.3. High level overview of the three work streams has been identified to ensure cohesion and coordination.	MAT	31 August 2017 * R Requires monitoring	Close monitoring of TaSF projects and timeframes is ongoing to manage risks and overall impact of the delays on the programme as a whole. Some TaSF projects have been completed whilst other areas are outstanding.
Page 13		7a. Security / data breaches, resulting in system failure, Information Commissioner fines and reputational damage. Information could be processed inappropriately resulting in breaches of the DPA. ICO enforcement action may include fines up to £500,000. Loss of public confidence. Potential to breach Freedom of Information (FOI) Act and other Information	2	4	3	Back up and continuity arrangements managed by ICT and tested by Service Heads. ICT security policies. Personal Commitment statement required from staff. ICT security group assess ongoing risks. ICT Disaster Recovery test conducted in December 2016. Information Governance Group. Information Governance Officer in post. Mandatory Data Protection training. Spelthorne currently breaches the time limit set for response to FOI requests in approx. 20% of cases and recently received a Decision Notice against the Council from the ICO.	7i. Information Governance Group to pursue action plan to ensure information assets are identified and managed. 7ii. In view of the organisational restructure, confirmation of where the authority's Senior Information Risk Owner role (SIRO) should sit and identification of training requirements requires pursuing. 7iii. Refresher training for Data Protection to be rolled out which should take into account the implications of the new Data Protection Act (DPA) due to take effect from May 2018 (whereby regulators can impose a significant increase in fines up to £20m or 4% of global revenue turnover). 7iv. Raise awareness of Information Governance and the requirements of the DPA amongst staff and members. Information flows to be mapped and Information Asset Owners to be identified. (NEW) 7v. Implement mandatory Freedom of Information (FOI) training and raise awareness of Public Sector Information	GH C & T */IGO *	31 August 2017* R Requires Monitoring	7i. Information Governance Officer is in post to provide ongoing guidance and ensure compliance with statutory obligations. The Information Governance Group are due to reconvene to address outstanding actions. 7ii. MAT agreed in March 2017 that the Group Head for Commissioning and Transformation would be appointed as the authority's Senior Information Risk Owner (SIRO). 7iii. Mandatory training sessions for all staff have been organised, to be delivered by early July 2017.
		7b. See above.				Document Retention Policy held.	7iii. Electronic document management systems (EDMS) project is due to be completed by December 2017, which is intended to help strengthen information security. 7iv. The Document Retention Policy is being revisited in relation to back scanning of Building Control and Disabled Facilities Grants.	GH C & T*/IGO* MAT	31 August 2017 R* Requires Monitoring	The authority has decided on its approach to document management and implemented the first phase. EDMS is progressing. The Idox document management system has been implemented for Environmental Health, Planning and Building Control with training delivered. Some clarification required for Building Control. Analysis work underway to identify requirements to expand Civica Contact Manager additional modules to accommodate other service areas (HR, Housing, Leisure). For internal Documents the plan is to upgrade and rebrand SharePoint, although sufficient resourcing is required to progress this.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		8. Failure to meet the minimum security requirements of the Government Code of Connection resulting in termination of connection to any other government sites/data; uncertainty over direction of ICT within the authority. Unavailability of ICT systems and/or unauthorised removal and selling of data/fraud as a result of inadequate measures to combat cyber security attacks or respond effectively.	2	3	3	A review group assesses compliance with the Government Code of Connection (CoCo). Firewall installed, laptops encrypted, memory sticks banned until they are 'white-listed' as known devices on the network, and universal serial bus (USB) ports locked down. Dual factor authentication on all laptops. All Baseline Personnel Security Standard checks completed. Annual health check and security penetration test completed. CoCo re-accreditation achieved in January 2016. The Cabinet Office has increased security requirements due to the implementation of the Public Service Network (PSN). Successful certification of Public Service Network (PSN) compliance in March 2017. Mimecast e-mail filtering software installed June 2016 to help reduce infected and problematic e-mails entering the Council's network. DR plan for ICT	8. i. Production, approval and implementation of an ICT Strategy consistent with the core objectives of the Council, ensuring effective and efficient use of resources and service delivery. 8ii. Government Code of Connection (Coco) resubmitted for 2017 and certification of the Public Sector Network (PSN) compliance (renewal) required. 8iv. Internal Audit review scheduled for 2017 of measures being taken to protect the authority from Cyber Security threats and adequacy of the authority's response to any such attacks. 8v. A network refresh is overdue and MAT are encouraging the need for flexible solutions (NEW)	Head of ICT*	31 August 2017 R*	8i. Whilst the Head of ICT has prepared a formal ICT strategy, it is yet to be passed to MAT for approval. The strategy has identified a requirement for a Business Analyst post, currently being pursued to enhance resource. 8ii Implemented - achieved Public Sector Network (PSN) compliance in March 2017. 8iii. Cyber Security Internal Audit Review scheduled for July 2017. Incidence Management Response audit review recently conducted.
		9. Lack of business continuity planning to cover loss of building, equipment, ICT or staff - leading to loss or disruption to services	2	3	3	Business Continuity (BC) Policy updated .The BC Forum oversees progress of BC planning. Business Impact Assessments identify priority services, resources required for their continuation and time frame. Emergency protocols for loss of building access/loss of power/loss of ICT are being developed. Emergency messaging system for staff. Improvements made to telephony resilience. Contract agreement in place with Applied Resilience , with increased resilience and support for Business Continuity Planning. Updated staff contacts list. Issues arising from the corporate table top exercise of September 2016 have been fed into the Corporate Business Continuity Operational	9i. Monitoring the agreement with Applied Resilience (by Spelthorne) should incorporate specific targets and expected outcomes in order to measure actual performance. Monitoring needs to be meaningful and clearly evidenced. 9ii. Corporate Business Continuity Operational Plan is being updated. 9iii. Applied Resilience to issue a final deadline regarding the outstanding service-level continuity plans.	GH C & T*	31 August 2017 (R*). Requires Monitoring	i. Audit Services have held discussions with Group Head for Commissioning and Transformation regarding the importance of monitoring the agreement with Applied Resilience. ii. The Corporate Business Continuity Plan now forms two plans so it is more meaningful for the key responders (Incident Management Team and recovery team). iii. Applied Resilience have collated updated Service-Level Plans (SLP) and are pursuing outstanding plans (at least six) . Group Heads have commented positively on guidance offered by the Resilience Advisor in this process. 5/6/17 - Awaiting updates from Applied Resilience to actions 9ii and 9iii.
		10. Failure in service delivery due to over reliance on individuals; loss of technical systems knowledge and expertise; staff uncertainty due to changes impacting on staff morale and stress levels.	3	3	3	Group Heads/MAT are responsible for ensuring business continuity, including loss of key staff. Critical procedures should be documented and staff appropriately trained. Group Heads should review as part of the service planning process. Resilience may be provided from other local authorities or other organisations. Wellbeing and Resilience Training provided in 2015. Significant investment has been built into the 2017-18 Budget to address resourcing, retention and morale issues . These include moving back to a local pay award likely to mean an additional 1% for staff, building in £200k for market supplements, additional resourcing for key delivery areas of Legal and Asset Management.	10i. In view of the imminent departure of Spelthorne's Chief Executive from September, the Audit Committee seeks assurance that the recruitment process is underway and on target. (NEW). 10ii. Human Resources to arrange staff development and training plans for the Group Heads and Deputy Group Heads. 10iii. Human Resources to commission bespoke training as well as utilise existing management development courses on offer. 10iv. Deputy Chief Executives to provide corporate steer for progressing Management development training based on needs identified. 10v. Ongoing management of change within Finance and Customer Relations and interim pastoral support will be required until the new Group Head for Finance and Customer Relations is in post.	Group Heads/ MAT/HRM /DCX (TC)/DCX (LO)	31 August 2017 (R*). Requires Monitoring	10ii ,10iii & 10iv . Human Resources have reviewed development needs for recently appointed Group Heads and Deputies and presented information to the DCX'S, with some training prioritised. The Human Resources Manager or Group Head for Commissioning and Transformation will be attending the Audit Committee on 22/6/17 to provide an update to Members in this area. 10v. The Acting Group Head for Customer Relations has been overseeing Customer services since April 2017, supported by other officers. A structural review of Customer Services is also underway. Recruitment is underway for a Chief Accountant and Deputy Chief Accountant to oversee the Finance team, interim support being put in place to cover gap between permanent post holders.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		11. Failure in service delivery due to reduced capacity and increasing demands from the community; prolonged staff vacancies due to inability to recruit; posts advertised as temporary may be adversely impacting on the Council's ability to recruit. Increased risk of delay, errors or stress.	3	4	4	Short term reductions in capacity are accommodated by prioritisation and reallocating work amongst staff. Longer term impacts and changes to demand may be more difficult to address. If resources cannot be enhanced, services will have to prioritise work. Staff have access to counselling via Occupational Health. Posts advertised with Surrey Jobs which also feeds into a wider network of job sites. Specialist websites are also used to advertise posts. Annual report by Human Resources issued to Management Team summarising staff recruitment and turnover. The commissioned piece of work on areas under specific pressure in terms of recruitment and retention has been completed in 2016 and options considered. Market supplements awarded to certain roles and increased investment allocated to certain Services.	11i. Members and Management Team will need to keep resourcing levels under review, particularly the impact of new projects and any statutory obligations on service/project delivery. 11ii. Implementation of requirements relating to the national apprenticeship scheme. 11iii. Human Resources to monitor the effectiveness of measures taken to improve recruitment and retention across the authority, in collaboration with Services. (NEW)	Group Heads/MAT/HRM	31 August 2017 * R Requires monitoring	11i. ongoing Briefing sessions have been held to raise awareness amongst Managers about the national apprenticeship scheme. A decision regarding the authority's preferred approach to apprenticeships is underway. 11iii. The Human Resources Manager or Group Head for Commissioning and Transformation will be attending the Audit Committee on 22/6/17 to advise Members of the recruitment and retention challenges faced by the authority and improvement measures taken.
		12. Low morale as a result of increasing service demand, lack of staff & finance, organisational restructure. Increased turnover, high staff stress levels, risk of losing expertise and impact on services.	2	3	3	Employment arrangements in place include recruitment and selection, pay and rewards, training and development. Change Management process, communications, performance management systems, appraisals, one to one's, team meetings, performance clinics, staff meetings. Stress audit conducted in Housing. The Human Resources Manager advises MAT as appropriate. Planned TaSF Senior management restructure taken place in 2016. See also controls recorded under section 10 above.	12i. Management Team to keep under review.	MAT	Completed/Ongoing monitoring	MAT maintaining under review . There is an ongoing risk of low morale and increased turnover during times of organisational change and uncertainty which MAT acknowledge. However additional budget provision built in to the 2017 - 18 budget for market supplement to assist with recruitment and retention; Council has moved back to a local pay scheme allowing an additional 1% pay increase.
		13. Failure to comply with the Council's corporate governance requirements and standards resulting in poor value for money, Costly legal challenges and reputational damage.	3	3	3	Corporate Plan setting out clear purpose, vision and outcomes. Constitution setting out clearly defined roles/rules for Members/Officers. Code of Corporate Governance and Codes of Conduct to promote high standards of conduct and behaviour. Informed and transparent decision making processes open to scrutiny. Member and staff training programmes. Accountability through published accounts and community engagement . Induction programme delivered for new councillors during 2015 including briefing on roles and responsibilities, financial position, delivering services and current key issues.	13. The Council's Code of Corporate Governance is due for review.	MAT or Head of CG	31 August 2017 R* Outstanding Action	The review of the code of Corporate Governance remains outstanding. 5/6/17 - Awaiting update from the Head of Corporate Governance.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		14a. Procurement - Weak governance arrangements and lack of transparency in procurement decisions. Financial penalties for non-compliance with legislative requirements. Contractual disputes and claims through poor specifications. Weak contract management resulting in Contractors/partners failing to deliver expected outcomes. Reputational damage	3	3	3	Contract Standing Orders set out tendering requirements, revised in April 2016. Contract guidelines with compliance checklist. Officer Code of Conduct sets out requirement for declaration of interests. Contract management training held in 2012 and 2013. Specification writing training taken place. Procurement training provided in October 2014. Development of the e-procurement system continues and further contracts continue to be sourced with this solution which offers significant time savings and efficiencies for staff in Legal. Development of Contract and Procurement hub.	14i. Full compliance with the Local Government Transparency Code is required and should be confirmed once achieved. 14ii. To ensure there is an ongoing reference for officers involved in procurement activity, Procurement and Contract Management guidelines need to be updated and publicised to reflect regulatory changes of 2015. Responsibility for this task needs to be re-assigned in light of the organisational changes. 14iii. The Procurement strategy has been updated recently, to include a strategy action plan to facilitate monitoring. 14iv. The Procurement Board is being amalgamated with other Boards to improve efficiencies. 14v. Development of a Contract and Procurement Hub by December 2017 and preparation of an action plan to assist implementation . 14vi. Implement a programme of training for	MAT DCX (TC)/ PS/Group Head C & T*	31 August 2017 *R Requires Monitoring	5/6/17 - Awaiting further update from the Group Head for Commissioning and Transformation (no updates received in terms of progress made against the actions). During a Procurement audit conducted in January 2017 the following key issues were ascertained: - The Council is only partly compliant with the Local Government Transparency Code requirements. - Procurement guidelines available do not reflect significant regulatory changes of 2015 (UK Public Contract Regs) and therefore staff may be applying out of date regulations. It is acknowledged that verbal updates have been communicated to MAT and Senior Managers. -The Procurement Board have not met frequently since 2015, due to the organisational restructure and uncertainty over assigned roles, responsibilities and direction of Boards - A plan is held for the development and implementation of a Contract and Procurement hub, setting out the Council's strategic approach to Procurement. -Testing of contract files found that there was not always a clear audit trail of actions to evidence whether the correct procurement process had been followed. Similarly evidence of performance monitoring of
		14b. Major Contracts - Lack of forward planning in preparation for the expiry of existing Leisure Centre arrangements in 2021, resulting in delays in Service provision. Delays in delivery of project and key milestones.	3	3	3	Leisure centre Contract ends 2021. A paper entitled "Leisure Centre Needs Analysis" was submitted to MAT in July 2014. This recommended the need for a feasibility study to refine options going forward. A lead time of seven years was quoted. Member involvement in considering alternative options. Project Manager is Deputy Group Head for Community Wellbeing. High level concept plans have been produced by Wilmot Dixon based on the initial feedback provided by SBC. A high level discussion document was presented to Cabinet in October 2016 and a project team has subsequently been formed to support the future direction of this project.	14bi. Project progress to be monitored against plan to ensure timely progress. 14bii. This project should be included in the Corporate Project Register to facilitate regular monitoring and reporting by the Corporate Project team.	Joint Group Heads CW/Deputy Group Head CW *	31 August 2017 *R Requires Monitoring	5/6/17 - Awaiting update from the Deputy Group Head for Community Wellbeing on the following areas (no updates received in terms of progress made against the actions) : 14bi. A specification is being drawn up for appointing specialist consultancy and advice primarily around the development of a feasibility study and a sound business case to take the project forward. Liaised with other local authorities who have recently completed similar construction projects. 14bii. As this project is not recorded on the Corporate Projects Register, it is unlikely to be included in project monitoring exercises or high level reporting carried out every quarter by the Corporate Project team. Project slippages may not be identified in a timely way. This is partly because the authority has just come to a stage where it has a full understanding of its requirements from the project.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		15. Pressures on Housing Service as a result of economic climate and welfare reforms including changes in government policy to restrict housing benefit. Introduction of Universal Credit may lead to staff retention issues. Loss of Housing Benefit subsidy and uncertainty over recovery of outstanding debt. London Boroughs increased use of Spelthorne properties. Local Housing	3	3	3	Group Heads/ MAT/Members are aware of risks. Working groups established to deal with changes. The authority faces some challenges in managing the loss of £500k per annum in subsidy (recovery of Housing Benefit overpayments) and the roll out of Universal Credit is now projected for 2022. Therefore the loss of subsidy will be spread over a longer period of time as completion of Universal Credit roll out slips. Accountancy have factored into outline budget projections. There is currently £2.7m of outstanding Housing Benefit overpayment debt in the Council's accounts. This is being recovered, albeit repayments are often small due to Housing Benefit regulations. Cabinet has received updates on Welfare Reforms. This includes a suggested approach to the use of discretionary housing payments. Strategic Housing Group. Officers and A2D have been	15. i. The Corporate Debt Group to discuss legal support for recovery of Housing Benefit overpayments, bearing in mind the need for the authority to secure value for money. 15.ii. The Housing Benefits Manager to provide information supporting overpayment statistics issued to the Corporate Debt Group. 15.iii. A model for the strategic way forward in delivering the Housing function has been drafted and is to be discussed/agreed. 15iv. Management Team to continue to monitor the pressures facing the Housing Service. (NEW)	MAT / Joint Group Heads CW *	31 August 2017 * R Requires Monitoring	15i. Implemented . Corporate Debt Group meetings have reconvened from March 2017. Legal support for HB overpayment recovery was discussed and there is a possibility that Customer Services could take on legal cases in future to court. 15ii. Implemented- Supplied overpayment statistics at a previous corporate debt meeting. 15.iii A model for the strategic way forward has been drafted. Knowle Green Estates (subsidiary) set up in May 2016 focusing on Housing Delivery. Despite this the pressures on the frontline Housing Services are continuing to increase. There is additional pressure as the impact of County Council cuts on areas such as local voluntary organisations, the closure of key hospital units, Supported Housing schemes, Adult and Children's Services generally filter through to organisations and individuals. Staff are spending considerably more time on cases and becoming frustrated at the shortage of community based support mechanisms for clients. The Housing options Manager is leaving the authority after over ten year's service and although steps are being taken to replace him, recruitment to Spelthorne professional roles is often difficult as highlighted in other areas.
		16. Poor partnership governance arrangements	3	3	3	MAT set strategic direction for Partnerships. Partnership governance policy out of date (August 2009) . Insurance arrangements in place.	16i. A responsible officer to review, update and re-issue the Partnership Governance policy. 16ii. A list of significant Partnerships entered into should be identified and recorded centrally. 16iii. Completion of questionnaires to make an assessment of Partnership governance arrangements. 16iv. Members of Overview and Scrutiny Committee to scrutinise Partnership activity if required.	MAT	31 August 2017 * R	Internal Audit review of September 2016 identified limited attention has been given to Partnership Governance since 2011 and therefore some actions are required to revitalise the necessary governance arrangements and associated controls. The Group Head for C & T is in the process of taking the recommended actions forward.
		17. Uncertainty over economic growth and supplier failure, impacting on: • Delivery of contracts and services • Business Rate income. SBC now bears a significant share of any losses on collection. Economic Development Strategy fails to be implemented and expected outcomes/anticipated benefits are not achieved. Leadership and	2	3	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners. Recovery and inspection of business properties is being strengthened to maximise collection/minimise losses for the Council. Spelthorne are a member of the Surrey Business Rates pool for 2015-16 enabling enhanced monitoring and data sharing with the other four participating councils. Business Rates Subgroup formed with agreed terms of reference focusing on Group Training, specialist advice, cross boundary prosecutions and legal advice. On 15 February 2017 the DCLG published a second consultation on further business rates retention, alongside a summary of responses to the first consultation last year.	17i. Impact of new Business Rate arrangements on Council finances is under ongoing review. 17ii. Business Rates project being pursued.	DCX (TC)/Acting Group Head CR *	31 August 2017 * R Requires monitoring	A service level project has been initiated to focus on 3 areas of business rates: Increase tax base Reduce Business Rate avoidance Increase admin grant Business Rates Avoidance Officer post approved but not yet recruited. This role is intended to assist in maximising the tax base and target potential areas of avoidance. Business Rates Inspector role now permanent with an increase in hours. Use Analyse Local software as information source .

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		management decision making may be impaired if performance indicators reflecting the levels of economic development activity in Spelthorne are not regularly monitored/reviewed.				Economic Development Strategy is reviewed every three years. Regular reporting to the Cabinet Member with responsibility for Economic Development to advise on progress with action plans and delivery of the strategy. LGA funded adviser produced 3 reports on Key Account Management, Inward Investment and Visitor Numbers. Funding subsequently approved. A CRM is being developed to track Spelthorne's top 20 businesses with regards to key account management. Approval has been received from SCC with regards to 4 improvement projects at shopping parades, with SCC funding £100k and SBC match funding, totalling £200k. An advisor was appointed in November 2015 to support inward investment and Key Account Management. A permanent post of Business Engagement Officer has now been created (8 May 17) to	17iii. Economic development is a Council priority and growth will impact on business rate income - this is under ongoing review. 17.iv. The updated 3 year economic assessment & development strategy for 2017-2022 and associated processes incorporate recommendations raised by Internal Audit in their review of December 2016. One such recommendation made is that progress on each of the 'actions' in the strategy needs to be regularly monitored by the Economic Development Engagement Group (EDEG) bi-annually. 17v. Through the EDEG 5 areas have been identified as the most important areas of delivery within the strategy and will be reported on every 6 months to the group to strengthen performance monitoring.	DCX (TC)*/GH R & G*/ CS & EDO*	31 August 2017* Requires monitoring	17iii. Ongoing review. 17iv & 17v - 5/6/17 No updates received in terms of progress made against these actions.
		18. Failure to comply with employment legislation or statutory duty leading to possible compensation (unlimited), damage to reputation, Legal costs and significant officer time.	2	3	3	Human Resources (HR) identify changes in employment legislation, provide guidance and training to ensure compliance. Professional HR support. Equality and Diversity working group and training provided to all staff.	18. Where HR guidance is issued to officers in relation to changes in employment legislation, this needs to be consistently evidenced (documented) as a safeguard against potential employee claims.	MAT/ Group Heads/ HR Manager *	31 August 2017* Requires monitoring	This action has arisen as part of an internal audit review and is under discussion .
		19. Failure to comply with statutory duty / adhere to Safeguarding Policy leading to death or injury to child or vulnerable adult, legal action and reputational damage. Failure by County to address Spelthorne referrals relating to vulnerable children/adults.	2	4	4	Council has statutory responsibility for safeguarding children and Adults. Safeguarding policies and procedures. Staff and Member training. All referrals to Surrey County Council should be reported to a nominated Spelthorne Officer. Regular meetings held with Surrey County Council and consultation with the Surrey Safeguarding Children's Board (SSCB). Annual Section 11 audit. The Children's Safeguarding and Adults at Risk Strategies have been revised Feb 2017.	19i. The Leisure Services Manager to review changes required to the Children's safeguarding policy, particularly with regards to child sexual exploitation. 19ii. Further liaison with Surrey County Council is necessary in order to strengthen the feedback process relating to children's referrals. 19iii. To seek clarification over responsibility for dealing with safeguarding issues for cross border referrals (where families located out of Surrey). 19iv. Staff training needs to be assessed and revised policies/processes publicised in due course. 19v. Internal Audit recommendations of December 2016 are being implemented.	DCX (TC)/LSM/ILM/Joint Group Heads - CW*	Completed/ongoing monitoring	19ii Implemented - The new Safeguarding Policy was approved by Cabinet in March 2017 and is on Spelnet. The updated referral procedure is displayed on all notice boards. 19ii. An ongoing concern. The Surrey Safeguarding Hub for referrals was launched several months ago. The operational side of referrals is very difficult. The Housing Team make referrals as required but in some instances the response is inadequate and Housing staff feel they are being asked to convey messages to children and young people which they themselves feel very uncomfortable with. Senior Community Wellbeing managers and the Deputy Chief Executive with Safeguarding responsibilities have had to intervene. The Housing teams have struggles with lack of internal communication with Children's Services in particular. A meeting with Senior Social Services staff to try to address the working relationship was scheduled for May 2017. 19iii. Implemented- Instructed to escalate any cross border referrals/ issues in the future to the senior safeguarding managers. 19iv. The Leisure Services Manager has liaised with Human Resources to ensure an accurate list is held of staff requiring training and DBS checks. A new online safeguarding training module was launched at Spelthorne in

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		20. Service delivery and planning difficulties due to Central Government funding being withdrawn and therefore reduction in spending. Possible withdrawal of New Homes Bonus with impact on Revenue Budget. Opportunities for significant income generation and investments are missed, impacting on the Council's ability to close the budget gap and deliver vital services.	3	4	4	Long term strategic/financial planning. Corporate Plan / priorities reviewed. Member engagement "Towards a Sustainable Future" programme identified potential savings and additional sources of income. The Council is working to find innovative ways to fund services and create new revenue streams. Advice is sought from the Treasury Management advisors as appropriate.	20i. Towards a sustainable future programme to be delivered 20ii Contract agreements to include relevant clauses in order to safeguard the Council's interests, with monitoring arrangements to follow. 20iii. Effective systems need to be in place to record and recover rental income due to SBC.	MAT	Completed/ongoing monitoring	20i. TaSF programme being progressed. Officer Structural Review completed. As part of Income Generation there have been significant Asset acquisitions and Investments during 2016/17. In September 2016 Spelthorne Borough Council announced the purchase of the campus occupied by BP in Sunbury-on-Thames. BP will remain as tenants at the Sunbury site leasing back the offices from SBC for a minimum of 20 years. This will generate significant income year on year helping the financial sustainability of the Council. 20ii and 20iii. 5/6/17 - Awaiting update on status of actions.
Page 19		21. Reduction in service delivery, reduced capacity and possible loss of internal control as a result of savings required to balance budget	3	3	3	Management as the first line of defence are responsible for maintaining key services and internal controls. Reduced resource levels in some areas are likely to impact on the ability to operate an adequate level of controls. For example segregation of duties is not always possible and there may be fewer management checks.	21i. MAT to acknowledge that reduced resources and capacity levels has an impact on the level/adequacy of controls operating within functions/corporate systems and processes. Associated with this is a lower level of assurance.	Group Heads/MAT	Completed/ongoing monitoring	2017/18 Budget providing additional resources for Housing, Legal and Asset Management. A new Property Manager has been appointed.
		22. Changing political landscape - Brexit represents many potential uncertainties for organisations such as currency devaluation/volatility, trade, investments, relocation of Partners/Suppliers, changing access to EU funds, level of compliance with EU regulations, workers rights (EU Nationals), existing policies and procedures, procurement process and contract agreements.	3	3	3	At the request of Management Team, a discussion paper setting out potential staffing implications has been prepared by the Human Resources Manager (March 2017). A verbal update has been provided with regards the potential financial implications and considerations.	22i. MAT to consider potential Brexit uncertainties for Spelthorne and have a plan in place to address.	MAT	31 August 2017* Requires monitoring	Management Team have received a briefing paper from the Human Resources Manager setting out the potential HR implications and uncertainties associated with Brexit. Financial risks and opportunities have also been discussed and are being kept under consideration.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		23. Poor return on long term investments /investments insecure in current climate	2	3	3	Treasury Management Strategy approved annually by Members. Aim to select counterparties of the highest credit quality; credit ratings monitored closely. Council's investments managed internally in consultation with Arlingclose. Quarterly meetings and conference calls held with Arlingclose. Deputy Chief Executive, Terry Collier and Portfolio Holder, Councillor Williams are involved in key decisions. Use a range of credit ratings and criteria recommended by Arlingclose. Regular monitoring ,reporting of investment portfolio and returns achieved.	<i>23i. As highlighted in a recent internal audit review, a thorough handover of treasury management duties needs to take place prior to the departure of the Principal Accountant on 9/6/17. It is acknowledged that an initial handover process was carried out in March between the former Deputy Principal Accountant and the interim officer (Richard McFarlane).</i>	DCX (TC) *	Ongoing monitoring	The team continues to explore options for diversifying the portfolio. As well as investments the Council now has £413m worth of debt (fixed rate) a result of the recent asset acquisitions. The portfolio continues to deliver good rates of return - on core pooled funds achieved average rate of return of 5.18%.
		24. Failure to collect/recover income due, resulting in losses to the authority.	3	3	3	Corporate Debt Officer Group. Corporate Recovery Policy. Recovery policies also exist for specific areas such as Council Tax, NNDR, Sundry Debts etc. Debt collection statistics produced and analysed. Budget Monitoring identifies any shortfall in income. Accountancy report to Management Team and Members on significant variances and comparisons with previous year. Debt recovery training for relevant staff has been provided.	<i>24i. Recovery arrangements for significant debts/other income streams and amounts outstanding to be periodically monitored through the Corporate Debt group.</i> <i>24ii. Management Team (MAT) should coordinate action to tackle aged debt that is unlikely to be recovered. Going forward, targets should be set for keeping aged debt to a minimum.</i> <i>24iii The DCX, Terry Collier, as S151 Officer, to receive and review a monthly status report on 'at risk' debts i.e. higher value aged debts over 6 months old in order to confirm that suitable recovery action has been taken, and where exhausted, ensuring write- off action is pursued.</i> <i>24iv. The Deputy Chief Executive in his capacity as Section 151 Officer to reconvene the Corporate Debt Group, coordinating outstanding actions such as strengthening recovery procedures for sundry debts to reflect Spelthorne's recovery policy wherever possible and practical, with less</i>	MAT/ DCX, TC/AGH CR/ Group Heads	31 August 2017 * R Requires Monitoring	24iii. Monthly aged debt analysis reports are sent to the DCX, Terry Collier for monitoring. 24iv. Implemented- the DCX, Terry Collier, has reconvened Corporate Debt Group meetings (from March 2017) which are being held regularly. This forum is used to monitor actions set out at 24i and 24ii. In particular the Corporate Debt Group discuss the more material items on the aged debt analysis. 24v. A review of the terms of reference for the Corporate Debt Group is on the agenda of the next meeting scheduled to take place in July .
		25. Serious and organised crime poses a threat to national security; lack of awareness may lead to harm to the local community or staff; intelligence is not shared or acted upon; organised crime groups could be benefitting from public sector procurement contracts resulting in financial or reputational losses	3	4	4	The Internal Audit Manager is Spelthorne's Single Point of Contact for Serious and Organised crime. There has been liaison with the Police and official documentation provided on requirements for Spelthorne.	<i>25i. Serious and Organised Crime Audit to be carried out in accordance with the official Police framework. This is intended to identify areas where Spelthorne is most vulnerable/ at risk .</i> <i>25ii. Group Heads and Managers to assess governance arrangements currently in place to help combat the risk of serious and organised crime.</i>	IAM/ Group Heads/MA T	30 September 2017 * O Requires Monitoring	25i. The Internal Audit Manager met with the local Police team in April 2017 to identify high risk areas generally and specifically for Spelthorne, which have been communicated to the DCX (Terry Collier). The framework to be applied for the Serious and Organised Crime Audit was also discussed . Prior to commencing the audit during 2017/18, there is scope to raise general awareness of this topic at a future Manager's Briefing. 25ii. This action will be taken forward as part of the planned audit, in collaboration with Group Heads and Managers.

SPELTHORNE BOROUGH COUNCIL - CORPORATE RISK REGISTER
2015/16 QUARTER 1

PREVIOUS RAG (SEP)	CURRENT RAG (MAR)	RISK / CONSEQUENCES	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		26. Increased risk of fraud / theft due to economic climate resulting in financial losses and damage to reputation of authority. Housing tenancy fraud reduces availability of social housing.	3	3	3	Corporate Policies including Confidential Reporting Code (Whistle blowing), Anti-fraud, Bribery and Corruption Strategy, Proceeds of Crime and Anti-Money Laundering, Code of Conduct including rules relating to gifts and hospitality, and declaration of interest. Staff are reminded about governance policies during the appraisal process. Refresher fraud and anti-bribery awareness training for staff and Members is due. Various policies and procedures such as Financial Regulations and Contract Standing Orders, management checks, segregation of duties, reconciliation processes for financial systems and IT Security measures. An internal fraud referral process/system has been implemented within Housing . Audit Services and Investigating Officers continue to attend specialist Fraud groups with Surrey Partners	26i. Assign additional counter fraud resource to priority areas and monitor financial payback. 26ii. To arrange Fraud and anti-bribery and corruption training for all staff and Members.	Group Heads/ MAT/IAM	31 August 2017 *R Requires monitoring	Counter fraud work continues with non-benefit fraud returns being collated quarterly, focusing on housing, (homeless and housing applications, tenancy fraud) and business rates (evasion and avoidance). At 31.3.17 the cumulative return for Spelthorne (since the start of the Surrey Fraud Partnership in January 2015) was £855k . 26i. Priority areas for additional counter fraud resource have been discussed at the Corporate Fraud Overview Group meeting in May 2017 and the preferred option to buy-in specialist resource is being taken forward. A meeting is also due to take place at the end of June between Housing, Internal Audit and A2D to discuss scope for greater joint working in an attempt to combat tenancy fraud. 26ii. The Internal Audit Manager has recommended to Human Resources and the DCX'S a need for Corporate Fraud , anti-bribery and corruption awareness training for all staff and Members. It has been about 5 years since such training was provided and it is therefore overdue. Effective methods for delivery of such training are being explored.

***KEY TO RAG RATING**

	Actions overdue and outstanding
	Partially actioned
	Completed/Ongoing monitoring

***KEY TO TARGET DATES**

- * O = Original target date for assigned action
- * R = Revised target date for assigned action
- * N = New Action

Note that previous RAG ratings are included to illustrate the Direction of Travel for recommended actions

***KEY TO OFFICERS**

MAT - Management Team

AGH CR - Acting Group Head for Customer Relations, Roy Tilbury

Head of CG – Head of Corporate Governance, Michael Graham

Head of ICT – Helen Dunn

DCX (TC) – Terry Collier

HSIRM - Health and Safety, Insurance and Risk Manager – Stuart Mann

GH C & T - Group Head - Commissioning and Transformation, Sandy Muirhead

GH - NS - Group Head - Neighbourhood Services- Jackie Taylor

DCX (LO) – Lee O'Neil

SEHM - Senior Environmental Health Manager, Tracey Wilmott-French

PS - Principal Solicitor, Victoria Statham

GH R & G - Group Head - Regeneration and Growth, Heather Morgan

IGO - Information Governance Officer, Clare Williams

HRM – Human Resources Manager, Debbie O'Sullivan

CM- Contract Managers

Joint Group Heads of CW – Joint Group Heads for Community Wellbeing, Deborah Ashman and Karen Sinclair

LSM - Leisure Services Manager, Lisa Stonehouse

RRO – Risk and Resilience Officer, Nick Moon

CS & EDO – Community Safety and Economic Development Officer, Keith McGroary

IAM - Internal Audit Manager, Punita Talwar

This page is intentionally left blank

Audit Committee

22 June 2017



Title	Annual Internal Audit Services Review 2016/17		
Purpose of the report	To note		
Report Author	Internal Audit Manager, Punita Talwar		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	The Audit Committee notes the Internal Audit Annual Review Report for 2016/17.		
Reason for Recommendation	Not Applicable		

1. Key issues

- 1.1 Internal Audit is “*an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*”
- 1.2 Attached at Appendix 1 is a summary of Internal Audit reviews carried out in 2016/17 and details of other work undertaken by the team. Reports were issued during the year to senior managers, and these included recommendations aimed at reducing risks and strengthening internal controls.
- 1.3 In addition to the reviews carried out, Internal Audit assists the organisation in achieving its objectives through other aspects of its work at Spelthorne:
 - (a) Advice provided to services and corporate groups on various risk and control issues
 - (b) Management of counter fraud initiatives
 - (c) Supporting corporate governance arrangements
 - (d) Suspected fraud Investigations
 - (e) Corporate Risk Management – see separate risk report. Audit provides advice to Management Team, Corporate Risk Management Group (CRMG) and co-ordinates the Council’s Corporate Risk Register.

1.4 A progress report was submitted to the Audit Committee in September 2016 detailing work undertaken from April to August 2016. There was a significant period of sickness absence within the team during the second half of 2016/17, which required some reprioritising of the Internal Audit plan.

1.5 The Internal Audit Managers opinion is as follows:

The overall opinion is that the Council's internal control environment is generally adequate and effective. This is based on the work undertaken by Audit Services during 2016/17 which is summarised in this report.

Management has agreed in the majority of cases to address any shortcomings identified by Audit, or accept the associated risks of not doing so. Issues with a significant level of risk attached have been transferred into the Council's Corporate Risk Register for regular monitoring by Management Team and the Audit Committee.

2. Options analysis and proposal

2.1 There are no options.

2.2 Implementation of audit recommendations will reduce risks for the authority. Failure to undertake internal audit work to the required standards would lessen the Council's assurance that effective control systems are in place and could result in an increase in the Council's annual external audit fee.

3. Financial implications

3.1 Not applicable.

4. Other considerations

4.1 There are none.

5. Timetable for implementation

5.1 Not applicable.

Background papers:

Appendices: Appendix 1 – Summary of Internal Audit Work for the year 1 April 2016 – 31 March 2017

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Page 25

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
ICT - Incident management process	Some Improvement Needed	<p>Incident Management is defined as the capability to effectively manage unexpected disruptive events, with the objective of minimizing impact or restoring normal operations, within defined limits. In general, controls were sufficient and operating effectively, albeit there is scope for:</p> <ul style="list-style-type: none"> - Users to be made aware of their responsibilities and procedures to follow when reporting an incident. - Regular messages circulated to staff and network users requesting prompt reporting of any security weaknesses or incidents, without any fear of recrimination. - Regular training to be offered to staff in order to avoid/minimise risk of security breaches. <p>Recommendations raised are currently under discussion.</p>
Emergency Planning and Business Continuity	Some Improvement Needed	<p>Monitoring the agreement with Applied Resilience for the delivery of Emergency Planning and Business Continuity Planning should incorporate specific targets and expected outcomes in order to measure actual performance. Monitoring exercises need to be meaningful and clearly evidenced.</p>
Housing Benefits	Some Improvement Needed	<p>Internal Audit identified three areas for improvement relating to:</p> <ul style="list-style-type: none"> - Debt management (overpayments) - Reporting of rising overpayments <i>(Above actions are being monitored through the Corporate Debt Group)</i> - Management review of daily reconciliations between Council Tax Support and Council Tax.

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

--	--	--

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Cash Collection and Banking	Some Improvement Needed	<ul style="list-style-type: none"> - Clear procedure notes on completing bank reconciliations under the new bank account arrangements should be devised. - Support could be obtained from the banking provider to facilitate the reconciliation process and resolve any unreconciled differences. - Comprehensive procedure notes should be compiled for cash and bank related functions to ensure continuity of the service.
Leisure Centre Contract	Some Improvement Needed	<ul style="list-style-type: none"> - To obtain a suitable set of accounts to enable a formal analysis of whether the profit sharing clause needs to be activated (if relevant profits have exceeded the threshold). - Regarding post 2021 Leisure Centre provision, urgent action to be taken to set up a dedicated project team and redefine project objectives, roles, responsibilities and timetables. Project progress to be monitored against plan to ensure timely progress. <i>(A high level discussion document was presented to Cabinet in October 2016 and a project team subsequently formed to support the future direction of this project. A specification is being drawn up)</i>
Community Infrastructure Levy (CIL - Planning)	Some Improvement Needed	<p>Scope for improvement was identified in terms of:</p> <ul style="list-style-type: none"> - Timeliness of issuing income demand notices to developers (once the commencement notice has been received, targets should be introduced for issuing demand notice to developers to ensure income is received promptly) - Income reconciliation (regular exercises should form part of budget monitoring)

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Partnership Governance	Major Improvement Needed	<p>Limited attention has been given to Partnership Governance since 2011 and therefore some actions are required to revitalise the necessary governance arrangements and associated controls:</p> <ul style="list-style-type: none"> - A responsible officer to review, update and re-issue the Partnership Governance policy. - A list of significant Partnerships entered into (strategic, commercial and work-related) should be identified and recorded centrally (<i>this action has commenced and is in progress</i>). - Governance status questionnaires to be completed for any identified strategic partnerships. - Members of Overview and Scrutiny Committee to scrutinise Partnership activity if required. - Arrangements made to ensure that partnerships are supported by suitable contact documentation (where appropriate)
Housing	Some Improvement Needed	<ul style="list-style-type: none"> - Reduction in processing times for homelessness applications to be targeted - A delegation of authorities document should be produced within Housing Options, so as to formalise who can authorise each of the various decisions that are taken as part of routine operations - Provision of a banding changes report would enable clearer visibility of all banding changes and would facilitate management checks. - The officer responsible for managing former debt should be supplied with a copy of the monthly Sales Ledger Aged Analysis Report to supplement current recovery efforts. Occasional spot-checks should also be carried out by the Housing Options Manager - Management review is necessary to gain assurance that all reported housing related frauds are being captured on the spreadsheet. - Evidence collected following visits to suspect fraud applicants should be scanned promptly. There may also be scope for streamlining records relating to fraud.

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Community Safety	N/A	Audit Services worked closely with the Community Safety Manager to populate the assurance template for Community Safety through identification of risks relating to the function and corresponding control measures operating.
Payroll	Some Improvement Needed	Recommendations raised are currently under discussion. They relate primarily to system access controls and source documentation.
Treasury Management	Effective	<ul style="list-style-type: none"> - Liaise with the Councils Treasury Management advisors, to ensure the full range of assistance is obtained as per the service agreement. - Produce a Treasury Management Policy which is differentiated from the Treasury Management Strategy. - Put a succession plan in place to ensure a smooth transition and continuity in light of the recent and imminent departures of key officers, as well as improved cover for short/long term staff absences. - Ensure a formal and thorough handover of treasury management duties takes place before the Principal Accountant's departure in June 2017.
Creditors	Some Improvement Needed	Recommendations raised are currently under discussion. They highlight the need to implement compensating controls in view of the absence of segregation of duties between system administration and the processing of transactions on the system. Compliance with the corporate credit card procedure has also been reiterated.
Main Accounting Systems	Some Improvement Needed	<ul style="list-style-type: none"> • Maintain a succession plan to ensure a smooth transition if key members of the Finance team leave the Council. • Update the Finance service risk register with the risk and mitigating controls in the event of possible disruption to the service through absence or vacant positions. • Ensure there is a comprehensive procedure manual for finance which is periodically reviewed. • Periodically review transactions on the audit log to identify anomalies, irregularities or inconsistencies

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

		<ul style="list-style-type: none">• Ensure that Journals are properly authorised by an independent officer• Sales Ledger reconciliations to the general ledger should be evidenced• Prepare a timetable for closing monthly accounts• As a 'lessons learned exercise', review the close down process that took place for the 2015/16 accounts. Identify any areas where improvements can be made for 2016/17 for delivery of the final accounts.
--	--	---

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Business Rates	Some Improvement Needed	<p>Recommendations raised are currently under discussion. They include:</p> <ul style="list-style-type: none"> • Ratepayers to complete the relevant form when applying for a rates refund which is scanned into CIVICA. • Where refunds are processed, Academy to be populated with the ratepayer's bank account details as a check to verify that the refund has been paid into the same customer bank account from which the monies were originally taken (fraud prevention/detection measure). • Ensure the CIVICA accounts are updated with supporting documentary evidence when awarding exemption reliefs. • Independent spot checks of suppressed accounts and other exceptions awarded to confirm validity needs to be evidenced • In compliance with Financial Regulations ensure that business rate write offs for amounts over £6,000.00 are approved by Cabinet Members. • Review the Anti Money Laundering policy and procedures, ensuring it is accessible to all staff. • Arrange Anti Money Laundering Refresher training for all appropriate staff within Customer Services. • Regular one to one meetings and annual appraisals to take place with the Customer Services Counter Fraud Support Officer (Inspector) to discuss work status whilst at the same time providing a vehicle for personalized feedback and mentoring.

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Debtors	Major Improvement Needed	<p>Recommendations raised are currently under discussion.</p> <p>As the Corporate Debt Group has been meeting regularly since March 2017 it is envisaged that current and outstanding internal audit recommendations representing a medium or high priority can be monitored and progressed through this group.</p> <p>Recommendations include:</p> <ul style="list-style-type: none"> • Review the terms of reference for the Corporate Debt Group <i>(scheduled for the next meeting of the group)</i> • Analyse debt balances that have been overdue over a protracted period to determine what action needs to be taken. This should include a review of Bed and Breakfast debts. • Responsibility for recovery of sundry debt should be clearly defined and documented in procedures. • Targets should be established to measure the achievement of collection rates and ratios. • Reports summarising Sundry Debtor arrears rates and collection performance should be produced to coincide and be presented at meetings of the Corporate Debt Group (CDG). • Accountability for arrears rates and collection performance should be assessed by the CDG. • Supporting documentation to be maintained for invoices processed and credit note transactions <p><i>It is envisaged by the DCX (Terry Collier) that more focused resource and support for the Debtors function from April 2017 will facilitate in moving forward these audit recommendations.</i></p>
Performance Management	Major Improvement Needed	<p>Recommendations include:</p> <ul style="list-style-type: none"> • Re-establishing annual performance reviews of Service Plans • Ensuring a clear Service Plan guideline and timetable is communicated <p><i>(Above Implemented. Service Planning timetable issued in February 2017)</i></p>

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

		<p><i>together with revised templates for the 17/18 Service Planning and Annual Performance review process. The majority of Service plans for 17/18 have since been completed)</i></p> <ul style="list-style-type: none"> • Scheduling performance indicator returns into the Cabinet forward plan <i>(Implemented. Quarterly reporting now takes place on performance indicators)</i> • Scope to make some existing performance indicator's more meaningful • Improved monitoring of the staff appraisal process
--	--	--

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Safeguarding	Some Improvement Needed	<p>Recommendations include:</p> <ul style="list-style-type: none"> • Setting a date for the roll out of the Children's and Adult Safeguarding Policy documents at Spelthorne, presenting the policy document(s) to MAT for approval and recommendation to Cabinet. <i>(The Safeguarding policy has now gone to Cabinet and been agreed. Action implemented as advised by the Group Head for Community Wellbeing)</i> • Reiterate to all nominated Safeguarding Officers that a Multi-agency referral form (MARF) should be completed for every children's referral and submission to Surrey County Council recorded. <i>(Implemented as advised by the Group Head for Community Wellbeing)</i> • To ensure completeness of records, reiterate to nominated Safeguarding Officers that all relevant information needs to be recorded on the safeguarding referral spreadsheet. <i>(Implemented as advised by the Group Head for Community Wellbeing)</i> • Outdated Safeguarding referral procedures should be removed from Spelnet and replaced with the new referral procedures. <i>(Updates to Spelnet and notice boards</i>

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

		<p><i>to be actioned in due course)</i></p> <ul style="list-style-type: none"> • Bi-annually/annually the Senior Safeguarding Officers should prepare and submit a status report to MAT summarising past performance and current activities relating to Safeguarding children and adults at Spelthorne. • Job Descriptions to be updated to include safeguarding duties. • Training in the form of e- learning is outstanding for many staff. Managers have been sent reminders and will be asked to follow up.
--	--	--

Page 33

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Procurement	Major Improvement Needed	<ul style="list-style-type: none"> • It was acknowledged that development of a Contract and Procurement Hub is in progress, aimed for completion by December 2017 • Full compliance with the Local Government Transparency Code is required • Procurement and Contract Management guidelines to be updated and publicised to reflect regulatory changes of 2015. • Implement a programme of training for contract managers where the principles of Contract Standing Orders and Contract checklists form the core element of the learning • Review the Procurement strategy and prepare an accompanying action plan (note that the strategy has since been prepared).
Economic Development	Some Improvement Needed	The 3 year economic assessment & development strategy has been updated to cover the period 2017 - 2022, approved by Cabinet in February 2017. It incorporates recommendations made by Internal Audit in their review such as formal clarification of responsibilities, establishing timescales for actions in the strategy to improve accountability, documentary evidence for decision making, enhancing performance review and monitoring mechanisms, and ensuring regular formal Member oversight of the strategy.

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Health and Safety	Some Improvement Needed	<ul style="list-style-type: none"> • It was acknowledged that a 12 month rolling health and safety programme being introduced for 2017 is a series of health and safety activities to be undertaken by operational managers. To ensure an inspection plan is in place which will provide structure to the new process and evidence of the Health and Safety Officers monitoring activities. <i>(To ensure the delivery of the annual rolling plan, Champions for Health and Safety have been recently identified in each Service area to implement the necessary actions).</i> • Health and Safety policy reviews should be formally approved by Members of the Council. <i>(The Health and Safety Policy has since been updated and will go onto Cabinet for adoption on the 21 June 2017). (Implemented)</i> • Update the Health and Safety pamphlet to include details of the Health and Safety Policy • Ensure the Managers Guide to Health and Safety is completed, distributed and publicised before the 12 month rolling H&S program commences, to incorporate the proposed process by which self-audits should be undertaken by Managers. • The Health and Safety Officer is in the process of arranging training sessions for all staff on the use of SHE, scheduled to take place through June and July 2017.
-------------------	-------------------------	--

Audit Review	Assurance Level*	Comments / Agreed areas for improvement arising from Internal Audit Review
Human Resources (Employment Legislation)	Some Improvement Needed	<ul style="list-style-type: none"> • It is acknowledged that the methods by which information is accessed, processed and disseminated is dependent on the nature of legislative changes. • Where guidance is issued to officers by Human Resources in relation to changes in employment legislation, this needs to be consistently evidenced (documented) as a safeguard against potential employee claims. (Recommendation under discussion)
Contaminated Land	Effective	Minor suggestions made to further improve the risk assessment methodology applied. (Recommendation under discussion)
Follow Up Audit Recommendations	N/A	Audit recommendations were followed up in some areas during the year to monitor implementation.

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

Assurance template	N/A	During 2016/17 Internal Audit have continued to encourage Managers representing the first line of defence to provide assurance that controls in their functions/services are operating effectively (by populating a template and signing off).
Audit assignments at other Councils	-	The Senior Auditor carried out an ICT Audit review at Waverley Borough Council relating to SharePoint. This has enabled sharing of best practice with Spelthorne.
	-	
In Progress		
<ul style="list-style-type: none"> • Parking Audit Review 		
Investigations undertaken in the following areas:		
Procurement and anonymous staffing allegation		
IT equipment expenses		
Personal Data Breach (Support provided)		
Other work		
Corporate Risk Management - Internal Audit continues to co-ordinate the Corporate Risk Register and reports regularly to Audit Committee and Cabinet. Corporate Risk Management Group meetings are held periodically. Please also refer to the Corporate Risk Register to note improvements being made in a number of areas outlined above.		
Counter Fraud	<ul style="list-style-type: none"> • DCLG fraud funding was made available across Surrey for an 18 month period up to 30 June 2016 to assist in the detection and prevention of non-benefit fraud, focusing on housing, (homeless and housing applications, 	

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

	<p>tenancy fraud, right to buy applications) business rates (evasion and avoidance), and Corporate/miscellaneous frauds e.g. investigating student exemptions for Council Tax. Significant payback/returns have been achieved from the DCLG grant funding and as at 30.6.16 the cumulative return for Spelthorne was £675k (shared across SBC, Surrey CC and Surrey Police). The proportion of savings retained by Spelthorne were in excess of £200k with Business Rates savings equating to an impressive £190k. On the basis of this positive outcome the Internal Audit Manager submitted a revenue growth bid for additional fraud resource, which was approved by MAT and Members for 2017/18. Arrangements to buy-in resource to target areas which are likely to generate greater financial payback is in progress.</p> <ul style="list-style-type: none"> • Collate quarterly fraud returns for submission to Surrey County Council. At 31.3.17 the cumulative return for Spelthorne (since the start of the Surrey Fraud Partnership in January 2015) was £855k . • External groups are attended with Surrey Partners including the Surrey Counter Fraud Board (SCFB), Surrey Tenancy Fraud Forum and Business Rates sub-groups. This enables the sharing of best practice and approaches in tackling housing fraud/business rate avoidance and evasion. The possibility of procuring a specialist product (Trust ID) to verify the validity of identity documents is being considered as a corporate counter fraud measure. • The Internal Audit Manager chairs the internal Fraud working group and disseminates any best practice. • Internal Audit circulates details of frauds identified nationally to make staff aware of risks. • The anti-fraud, bribery and corruption strategy and Confidential Reporting Code are reviewed annually and updated Whistleblowing Posters placed on all staff noticeboards. • Coordinated completion and submission of TEICCAF Fraud survey and circulated results. • All audit reviews consider fraud risks and a number of specific audit tests have been undertaken to identify potential fraud. However, it remains the responsibility of management to ensure they have systems in place to prevent and detect fraud.
<p>Advice to management</p>	<ul style="list-style-type: none"> • MAT reports – governance, risk and control issues • Project management • Significant procurements / disposal of Council assets • Knowle Green Estates • Neighbourhood grant scheme • Rent Accounting System • Housing – RIPA legislation/ Disabled Facilities Grants process review/ Bed and Breakfast • Mayors charity fund • Unix to Windows migration

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

	<ul style="list-style-type: none"> • Policies and procedures eg PCI DSS (Payment Card Industry Data Security Standard) • Parking – various • ICT – various • Customer Services – miscellaneous payments • Finance – Integra system (Payments) and authorisation levels • Economic Development –systems to support key account management of businesses • General Data Protection Regulations • Attendance, advice and support to a number of internal working groups
Miscellaneous	<ul style="list-style-type: none"> • MAT and Audit Committee (presentation of reports) • Meeting with Portfolio Holder • Service Planning and Performance Management (Service and personal targets, 1-1's, appraisals, review of work allocations and backfilling, monitoring progress in delivering Internal Audit Plan) • Staff Management/ phased return to work management • Budget Monitoring/raising orders and invoices/revenue growth bids • Commissioning internal audit resource from Surrey County Council and overseeing delivery of outcomes • Spelthorne Senior Auditor commissioned to carry out ICT Audit at Waverley – liaison with Officers at this Council /preparation of contract/ associated management • Preparation of audit programmes and management review of Audits carried out • Meetings with Group Heads to discuss emerging risks following the restructure • Preparation of Internal Audit Plan for 2017/18 • Assigned as Single Point of Contact for Serious and Organised Crime • Liaison with HR about corporate training needs • Attending new IT system demonstrations • Responding to Freedom of Information Requests • Preparation of Service Continuity Plan for Audit Service and participation in table top exercise • Health and Safety tasks • Audit training/Corporate training/Management Development Programme /CPD submission to CIIA • General Administration • Meetings and liaison with external audit regarding interim audit • Managers Briefings and staff meetings • Support to the Council's governance arrangements eg contribution to Annual Governance Statement

Appendix 1 to Internal Audit Services Review Report (Covers 2016/17 period)

	<ul style="list-style-type: none">• Support with election duties
--	--

WORK PROGRAMME 2017–2018**AUDIT COMMITTEE – 22 June 2017****Resolution Required****1. Work Programme**

- 1.1 This report covers the Work Programme for the current municipal year 2017-18.
- 1.2 The Committee's terms of reference are set out at the front of the agenda.

2. Current Work Programme

- 2.1 This is the first meeting of the Committee scheduled for the municipal year 2017-18.
- 2.2 Meetings of this Committee have been scheduled in the Council's Diary for 2017/18 on the following dates:
- **28 September 2017**
 - **22 March 2018**
- 2.3 Details of the Work Programme for the current and future meetings are as follows:

June 2017		
Corporate Risk Management (including Risk Register)	Audit Manager	Review
Internal Audit Work Summary 2016-17	Audit Manager	Report
HR update on recruitment and retention	Group Head, Commissioning and Transformation	Report
Committee's Work programme for 2017-2018	Audit Manager	Report
September 2017		
Corporate Risk Management (including Risk Register)	Audit Manager	Review
Annual Governance Statement 2016-17	Chief Finance Officer	Approval
External report on Audit and Statement of Accounts 2016-17	External Audit Manager	Report
Annual Review of the Effectiveness of Internal Audit 2016-17	Audit Manager	Report
Internal Audit Interim Report April-August 2017	Audit Manager	Report
Committee's Work programme for 2017-2018	Audit Manager	Report

March 2018		
Corporate Risk Management (including Risk Register)	Audit Manager	Review
Anti-fraud, corruption and bribery policy	Audit Manager	Review
Committee's Work programme for 2017-2018	Audit Manager	Report
External Annual Audit Letter 2016-17	External Audit	Report
Internal Audit Annual Plan 2018-19	Audit Manager	Report
Confidential Reporting Code	Audit Manager	Review

- 2.4 Any topics identified during consideration of the business at this meeting, will need to be included in the above Work Programme.
- 2.5 Other issues Members wish to raise for consideration at the next or any future meeting and agreed by the Committee, may be included in the Work Programme.
- 2.6 External audit may have one or two reports that arise from time to time which are not possible to predict in advance but will be incorporated into the Work Programme or appear on the agenda as appropriate.
- 2.7 Managers may be required to attend the Committee, similarly to that resolved in Minute No. 227/06, to explain why they have not implemented the recommendations of the Head of Audit Services. It is not possible to predict these circumstances but they will be dealt with as and when they arise either by incorporating into the Work Programme or appearing on the agenda as appropriate.

3. Resolution

The Committee is asked to consider and approve the Work Programme as submitted and/or amended at the meeting.

Contact: Punita Talwar, Internal Audit Manager (01784) 446454.

Report Author: Greg Halliwell, Principal Committee Manager (01784) 446267