



*Please reply to:*

Contact: Chris Curtis  
Service: Committee Services  
Direct line: 01784 446240  
E-mail: [c.curtis@spelthorne.gov.uk](mailto:c.curtis@spelthorne.gov.uk)  
Date: 14 March 2018

## **Notice of meeting**

### **Audit Committee**

**Date:** Thursday, 22 March 2018

**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](http://www.spelthorne.gov.uk) [customer.services@spelthorne.gov.uk](mailto: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 - 8**  
To confirm the minutes of the meeting held on 17 October 2017 as a correct record.
- 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** **9 - 24**  
To note the report and recommend the Corporate Risk Register to Cabinet for approval.
- 5. Annual review of Procurement Strategy** **To Follow**  
To receive an update on the prioritised procurement work programme and the Annual Procurement Strategy.
- 6. Recruitment and Retention Update** **25 - 28**  
To receive an update on recruitment and retention matters from the Group Head, Commissioning and Transformation.
- 7. Partnerships update** **To Follow**  
To receive an update on partnerships from the Group Head, Commissioning and Transformation.
- 8. Update on Code of Corporate Governance**  
A review of the Code of Corporate Governance has been undertaken and a report was before the Overview and Scrutiny Committee at its meeting on 13 March 2018, to recommend adoption of the revised Code to Cabinet at its meeting to be held on 21 March 2018. The Deputy Chief Executive will provide a verbal update at the meeting.
- 9. Confidential Reporting Code (Whistleblowing Policy)** **29 - 38**  
To review the proposed Confidential Reporting Code and leaflet and to recommend any further amendments if necessary.

- |   |                |
|---|----------------|
| <b>10. Anti-fraud, Bribery and Corruption Strategy</b>  | <b>39 - 46</b> |
| To review and recommend to Cabinet the changes proposed to the Anti-Fraud, Bribery and Corruption Strategy.   |                |
| <b>11. Internal Audit Services Annual Plan 2018-19</b>  | <b>47 - 54</b> |
| To receive the Internal Audit Services Annual Plan for 2018/19.   |                |
| <b>12. Committee Work Programme</b>   | <b>55 - 56</b> |
| To consider and approve the work programme for the current municipal year and the forthcoming municipal year. |                |

**Minutes of the Audit Committee  
17 October 2017**

**Present:**

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

**Councillors:**

J.G. Kavanagh                      H.A. Thomson  
B.B. Spoor                              H.R.D. Williams

**Apologies:**    Councillors T.J.M. Evans

**545/17    Minutes**

The minutes of the meeting held on 22 June 2017 were approved as a correct record.

**546/17    Disclosures of Interest**

There were none.

**547/17    External Audit report on Audit and Statement of Accounts 2016-17**

The Chief Finance Officer reported that external auditors appointed by the Public Sector Audit Appointments, KPMG, were required, in accordance with international auditing standards, to annually report to the Council on:

- Their opinion on the Statement of Accounts
- Any uncorrected items in the Statement of Accounts
- Qualitative aspects of the Council's accounting practices and financial reporting
- The Annual Governance Statement
- Their annual Value for Money conclusion

They also report annually on their audit of the Council's accounting and internal control systems.

The Chief Finance Officer explained that it had been a challenging Statement of Accounts process this year both for the Accountancy team and for the auditors. This was largely as result of the team losing both the Deputy Chief Accountant and then the Chief Accountant. However, the Council now has in place an experienced permanent chief accountant and a permanent deputy chief accountant with a good range of technical accounting experience.

Joanne Lees, on behalf of KPMG, presented the report and responded to members' questions. She gave a positive overall conclusion and concluded that the Annual Governance Statement was satisfactory.

The external auditor explained that as result of the additional work generated to review the arrangements and impact of the BP site acquisition, KPMG were still concluding their work reviewing to confirm that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

**Resolved** that:

- 1) The Audit Committee notes the External Auditor's 2016-17 audit report;
- 2) The Chief Finance Officer and Chairman of the Committee sign the statement of accounts, subject to the receipt of KPMG's final report and value for money statement, following the completion of their work to review the BP site acquisition;
- 3) The Audit Committee notes the draft officer responses to the recommendations made in Appendices 1 and 2 of the Auditors' report.

#### **548/17 Corporate Risk Management**

The Internal Audit Manager summarised the risks affecting the Council as outlined in the report and highlighted a number of issues, specifically information governance, ICT security, risk of failure in service delivery, the Code of Corporate Governance, procurement, housing, business rates income, acquisitions and investments and debt recovery.

The Committee discussed a number of risks associated with ICT security, in particular concerns in relation to Wi-Fi security at the council offices and the risk of a KRACK attack. Officers agreed to share these concerns with ICT for further consideration.

The revised Register was considered to be an accurate reflection of the high level risks affecting the Authority and progress on actions was documented on the Register.

**Resolved** that:

1. The contents of the Corporate Risk Register be noted and accepted;
2. That the Corporate Risk Register be recommended to Cabinet for approval.

#### **549/17 Annual Governance Statement 2016-17**

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement 2016-17. The Statement reviewed arrangements for corporate governance and internal control as required by the Accounts and Audit Regulations 2006.

**Resolved** that the draft Annual Governance Statement at Appendix 1 to the report of the Chief Finance Officer be approved and that the improvement actions identified in the Statement be endorsed.

**550/17 Annual Review of the effectiveness of internal Audit 2016-17**

The Internal Audit Manager presented her report on the effectiveness of the system of internal audit. She referred to various performance indicators used to assess internal audit activity including the Service Plan, Audit Plan, conformance with professional standards, external audit assessment, achievements in 2016-17 as well as improvement measures for 2017-18.

The Chairman commended the Internal Audit and Customer Services business rates teams on their impressive fraud return work in the area of business rates.

**Resolved** to note the report on the effectiveness of internal audit 2016-17.

**551/17 Interim Internal Audit Report**

The Internal Audit Manager presented her report which summarised the work undertaken by Audit Services during the period April 2017 to September 2017. The level of assurance granted for each audit review based on an assessment of the control environment was reported.

**Resolved** to note the Interim Internal Audit report.

**552/17 Consultation on auditor appointment from 2018/19**

The Chief Finance Officer presented his report which set out the process for appointing external auditors for a five year period commencing with the 2018-19 accounts audit.

**Resolved** to note the update on the appointment of external auditors from 2018-19.

**553/17 Update on Recruitment and Retention; Procurement; Partnership Governance**

The Committee noted the report and requested a further update on these issues for consideration at its next meeting.

On procurement, the Committee asked that the newly appointed Procurement and Contract Manager attend the next meeting of the Committee to update members on progress and share details of the prioritised work programme that is under development.

On partnerships, the Committee noted that governance arrangements needed to be documented and embedded as quickly as possible.

On recruitment matters, the Committee wanted a more detailed update on progress with apprenticeship arrangements at the Council.

**Resolved** to note the update on recruitment and retention, procurement and partnership governance.

**554/17 Update on Code of Corporate Governance**

The Committee noted the report and requested a further update on this issue for consideration at its next meeting.

**Resolved** to note the update the Code of Corporate Governance.

**555/17 Committee Work Programme**

The Committee considered its Work Programme for the remainder of the 2017-18 Municipal year.

**Resolved** that the Committee Work Programme for the remainder of the 2017-18 Municipal year, be approved.



**Audit Committee****22 March 2018**

<b>Title</b>	Corporate Risk Management		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Internal Audit Manager, Punita Talwar		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<b>The Audit Committee is asked to note the report and recommend the Corporate Risk Register to Cabinet for approval.</b>		
<b>Reason for Recommendation</b>	<b>Cabinet has oversight of the Council's management of risk.</b>		

**1. Key issues**

- 1.1 The Corporate Risk Register ensures key risks are identified, managed and monitored. The register highlights the direction of travel in implementing risk mitigating actions and the narrative in the 'Progress' column supports this as well as providing further detail on the status of actions. There are several areas where positive progress has been made. Management Team has reviewed the Corporate Risk Register (**Appendix 1**).
- 1.2 There are a number of significant issues to report as follows:
- (a) **Information Governance (7a – Organisational Measures)** – The Information Governance Officer has produced a detailed work plan setting out Spelthorne's approach to the General Data Protection Regulation (GDPR) and a progress report has been submitted to Management Team on 27.2.18. An Information Governance area is now available on Spelnet. Member overview training on GDPR was delivered immediately before Council on 22<sup>nd</sup> February. Staff training continues supplemented by external training. There is still considerable work to be done in services including full mapping of information flows.
  - (b) **Business Continuity Planning (9)** - Two new actions have been added to the register as highlighted by Management Team. These relate to undertaking a fire evacuation procedure combined with a scenario where re-entering the building is not possible. Secondly, bomb

awareness procedures require updating as they have not been reviewed since 2012.

- (c) **Code of Corporate Governance (13)** – This code is important to promote high standards of conduct and behaviour. An updated code has been prepared by the Head of Corporate Governance and Committee Manager, due to be reported to Overview and Scrutiny and Cabinet in March.
- (d) **Procurement (14a)** – The appointment of the new Procurement Officer is helping to move actions forward. Enhanced monitoring arrangements for the authority's key suppliers is being implemented. Governance arrangements are being strengthened as the revised Procurement Strategy and Action Plan are being reported to Members in March. The Group Head for Commissioning and Transformation will be also be providing an update to the March Audit Committee.
- (e) **Housing (15)** - A high level internal audit review is currently underway considering the authority's readiness for the homelessness legislative changes (Homelessness Reduction Act due to take effect from April 2018). Given that this is a flagship project with full implementation due imminently, Internal Audit are engaging in relevant discussions. Management Team to continue to monitor this statutory change.
- (f) **Business Rates Income (17)** - Spelthorne will be participating in the 100% retention of business rates pilot for 2018/19 providing further incentive to maximise income collection and retention.
- (g) **Acquisitions and Investments (20)** – A robust governance framework continues to be developed to support all property acquisitions and investment processes with various policies, strategies action plans and reporting mechanisms in place. The Council's approach to the management of risk in this area has been presented and communicated to stakeholders. In light of the Council's ongoing commercial asset acquisitions and investments, effective systems need to be in place to record, recover and monitor significant rental income due to Spelthorne. The Group Head for Regeneration and Growth has organised Process Mapping workshops and in view of the corporate debt team's role, the resourcing situation within Customer Services will need to be kept under regular review. An Investment and Development Property Committee is now meeting regularly on which the Leader and Finance Portfolio Holder sit, which reviews performance and evaluates proposals before they are presented to Cabinet for consideration.

## 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**

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 Information Governance (GDPR readiness), Homelessness Reduction legislation (preparedness) and commercial asset acquisitions and investments. Management Team may therefore need to assess if these areas are being adequately managed or 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 the Internal Audit Manager.

**Background papers:** There are none.

**Appendices:** Appendix 1 – Corporate Risk Register

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## 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 February 2018 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 Policy went to Cabinet for adoption on the 21 June 2017. The Health and Safety, Insurance and Risk Administrator manages the SHE Database, overseen by the Health and Safety, Insurance and Risk Manager. The Spelthorne Safety Management system is built on the IOSH Managing Safety course syllabus and terminology. 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. From January 2018, annual health and Safety checklist, activity and compliance programme for Managers.Champions for Health and Safety have been identified in each Service area to implement the necessary actions. Personal Safety Training provided and Lone Worker protection process being pursued in collaboration with 'Peoplesafe'. Safety Champions designated for each Service. Health and Safety at Work Regulations have been circulated for Managers attention. Training sessions are in place through the Council's IOSH training provision and Group Heads, Managers and Team Leaders are being encouraged for Champions to attend.	<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, procedures and the 2017 Management activity/compliance programme 1ii. The inspection process across the authority needs to be made more robust - regular inspections to be carried out and consistently documented to ensure evidence is available. 1iii A project is due to be undertaken to enhance the efficiency of the SHE system (health and safety management). (NEW)</i>	HSIRM/ SEHM/ MAT/ All Group Heads *	31 May 2018 *R Requires Monitoring	1i. <b>Partially Implemented</b> . The Managers and Team Leaders Guide to Health and Safety will (once completed) include instructions for the use of SHE (Health and Safety Management system). The Health and Safety Officer is also in the process of arranging training sessions for all staff on the use of SHE. It is envisaged that the newly recruited Health and Safety Resource will support the team by documenting and developing Health and Safety Procedures further. 1ii. <b>Partially Implemented</b> . The robustness of inspections to be periodically discussed at the Corporate Risk Management Group, enabling feedback from relevant officers. Recent appointment of a dedicated Health and Safety Officer within Neighbourhood Services to oversee issues arising at the Depot.
		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. Contaminated land risk assessment was reviewed in September 2017, with the next review due in 2019, or sooner if need be. Reports periodically issued to Management Team and Cabinet. The revised contaminated land strategy went to Cabinet for adoption in June 2017.Case Law of July 2017 reduced the liability for local authorities in respect of Part 2a Contaminated Land.	NONE	SEHM*	Completed/ Ongoing Monitoring	N/A
		3. Disaster- major in borough, e.g. flooding, resulting in significant strain on council services	2	4	4	Contract agreement in place with Applied Resilience, with increased resilience and support for Emergency Planning. Corporate Emergency Plan updated January 2016. Multi- agency flood plan completed December 2015 and reviewed January 2018. 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. Prevent Strategy training provided to front line officers as well as an awareness briefing to all staff (March 2017).	<i>3i. 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. 3ii. A Borough Emergency Centre Exercise will be taking place providing an opportunity to test plans.</i>	CX (RT)/ GH C & T*	Completed/ Ongoing Monitoring	3i. <b>Implemented</b> and monitoring continues to be undertaken by the Group Head for Commissioning and Transformation. 3ii. <b>Implemented</b> . During 2017 Applied Resilience have undertaken a series of Borough Emergency Centre training sessions for staff to increase preparedness for an incident. The latest exercise took place in October 17. Staff feedback is being considered in any updates to the Borough Emergency Centre (BEC) plan and equipment.
		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. Recommendations highlighted in an internal audit review of October 2016 addressed for the 2017/18 Service Planning process.	NONE	MAT / DCX LO/GH C & T	Completed/ Ongoing Monitoring	See also risk category 5 below. As part of the 2018/19 Service planning process, plans for completion due to be issued March 18 and annual performance reviews to be completed April 2018.

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		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. The majority of Service Plans for 2017/18 have been completed and placed on Spelnet.	5i. Service Planning for 2018/19 is due to be undertaken. (NEW)	Group Heads/ MAT / DCX LO/GH C & T	30 April 2018 *R Requires Monitoring	See also risk category 4 above.
		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 processes 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. Priority Flagship project performance is reported to Management Team on a weekly basis. 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.	6.1 i Management team to consider limited capacity and revenue implications prior to approving additional / new projects. 6.1ii. The new Procurement Officer to promote the importance of following correct procurement processes in delivering projects.	MAT	Ongoing monitoring	6.1i. <b>Ongoing.</b> Approx. 35 projects are currently being tracked through the Project Office and TaSF programme. Resourcing of projects remains an ongoing challenge as officers are often balancing several work tasks. 6.1 ii. <b>Implemented.</b> The Procurement Officer has been focussing on procurement in the projects process. Revised draft Procurement Strategy and Action Plan.
		See Above 6				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.	6.2. A number of options are being considered for the Bridge Street site.	GH R & G *	31 May 2018 *R Requires monitoring	Considering a number of options for development of this site, and the adjoining Hanover House which was acquired in November 2017 and becomes vacant end of September 2018.
		See Above 6				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 Group Head for Commissioning and Transformation currently oversees the direction of the programme.	6.3. High level overview of the three work streams has been identified to ensure cohesion and coordination. Scope to ensure this is periodically considered.	MAT	31 May 2018 *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. TaSF projects have been completed or ongoing. Project dashboard updates to Management Team. Asset acquisitions and development projects now reviewed on a weekly basis by Management Team
		7a(i). Information Governance risks relating to organisational measures. Non compliance with data protection legislation. Information could be processed inappropriately resulting in breaches of the DP legislation, Information Commissioner fines and reputational damage. Loss of public confidence.	4	4	4	Mandatory data protection online training. Information Governance Group. Information Governance Officer is in post to provide ongoing guidance and ensure compliance with statutory obligations. Information Governance Officer completed a GDPR Practitioner Course and achieved a distinction. Introductory training for GDPR has been provided to staff which identified the implications of the GDPR (whereby regulators can impose a significant increase in fines up to £20m or 4% of global revenue turnover) and advised what actions staff needed to take (at a high level). Information Governance structure agreed by MAT and made available on Spelnet; this identifies the SIRO and lines of responsibility for Information Assets.  FOI requests: A process map has been developed and distributed to assist staff with FOI requests and to reduce the likelihood of releasing information inappropriately. In Nov and Dec 2017 staff improved their timeliness for responding to FOI requests such that 90% of requests were responded to within the 20 working days deadline.	7i. Information Governance Group to pursue action plan to ensure information assets are identified and managed. 7ii. Raise awareness of Information Governance and the requirements of the DP legislation amongst staff and members. Identification of detailed training requirements in services. 7iii. Information flows to be mapped and Information Asset Owners to be identified. 7iv. Management Team have requested periodical progress reports on preparedness for the GDPR (Legislation effective from May 2018). (NEW)  7v. Implement mandatory FOI training and raise awareness of Public Sector Information Regulations.	GH C & T */IGO *	1 July 2018* R Requires Monitoring	7i. Partially implemented - The Information Governance Officer has produced a detailed work plan to work towards GDPR compliance by May 18. There is a lot of work to be done in many Service Lines. 7ii. Implemented: There is now an Information Governance area available on Spelnet. Overview training on GDPR has been delivered to staff and a session was arranged for Councillors at Full Council (Feb 18). In house training for staff continues as requested by services; supplemented by external training. 7iii. Ongoing and represents a large piece of work.  7v. Partially implemented; there is now an online FOI module available, a process map for FOI has been agreed by MAT and circulated to staff. FOI has been given a lower priority than data protection due to GDPR. The Information Governance Officer advises on FOI requests as requested. The Feb 2017 version of the Local Public Services Data Handling Guidelines is available on Spelnet. Risk rating increased due to separation of organisation and technical measures (see 7a.ii below)

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		7a(ii) Information Governance risks relating to technological measures. Security breaches resulting in system failure, non compliance with various information legislation which might lead to Information Commissioner fines/enforcement and reputational damage. Loss of public confidence.	2	4	3	Data Back up and continuity arrangements managed by ICT and tested by Managers. ICT security policies. Personal Commitment statement required from staff on appointment. ICT security group assess ongoing risks. Series of Security Awareness updates conducted in October 2017 for all staff. Information Governance Group. Information Governance Officer in post. Further ICT Disaster Recovery test conducted in November 2017 (successful).	NONE	GH C & T*/Head of ICT *	Completed/Ongoing Monitoring	N/A
		7b. See above 7a.				Document Retention Policy held. The authority has decided on its approach to document management and implemented the first phase.	7iii. <i>Electronic document management systems (EDMS) project is due to be completed by December 2017, which is intended to help strengthen information security.</i> 7iv. <i>The Document Retention Policy is being revisited in relation to back scanning of Building Control and Disabled Facilities Grants.</i>	GH C & T*/IGO* MAT	31 May 2018 R* Requires Monitoring	7iii. <b>Partially Implemented.</b> EDMS is progressing. The Idox document management system has been implemented for Environmental Health, Planning and Building Control with training delivered. Progress is ongoing for Building Control and Environmental Health and requirements for Planning almost complete. Close working with Customer Services currently. 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.
		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; unavailability of ICT systems; fraud eg unauthorised removal	2	3	3	A review group assesses compliance with the Government Code of Connection (CoCo). Firewall installed, laptops encrypted, black-listing of memory stick,CD's and DVD'S, 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. The Cabinet Office has increased security requirements due to the implementation of the Public Service Network (PSN) which has superseded CoCo. Successful certification of the Public Service Network (PSN) compliance until March 2018, with the reaccreditation process due imminently. Mimecast e-mail filtering software installed June 2016 to help reduce infected and problematic e-mails entering the Council's network. Disaster Recovery plan for ICT developed alongside Applied Resilience. National Cyber Security Strategy	8. i. <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.</i> 8ii. <i>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.</i> 8iii. <i>A network refresh is overdue and. MAT are encouraging the need for flexible solutions.</i> 8iv. <i>The annual health check and security penetration test are currently being carried out (February 18) with ICT addressing any critical and high</i>	Head of ICT *	31 May 2018 R* Requires monitoring	8i. <b>Implemented</b> - The ICT strategy identified a requirement for a Business Analyst post, which has been addressed. Further to the original ICT Strategy document, an additional management summary has been produced in February 2018 highlighting project updates. 8ii. <b>Implemented</b> - An Internal Audit Review of Cyber Security has been completed. Recommendations taken on board including appointment of a Network manager. 8iii. <b>Implemented.</b> Network refresh undertaken.

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		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 Plan. The updated Corporate Business Continuity Plan now forms two plans so it is more meaningful for the key responders (Incident Management Team and recovery team).	<p>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.</p> <p>9ii. Applied Resilience to issue a final deadline regarding the outstanding service-level continuity plans.</p> <p>9iii. Management Team are keen to undertake a fire evacuation procedure combined with a scenario where re-entering the building is not possible.</p> <p>9iv. Management Team have highlighted that bomb awareness procedures require updating (NEW)</p>	GH C & T*	31 May 2018 R * Requires monitoring	9i. Ongoing <b>Implemented</b> - Applied Resilience have collated updated Service-Level Plans (SLP) and pursued any previous outstanding plans .
		10. Failure in service delivery due to over reliance on individuals; loss of technical systems knowledge and expertise; staff morale issues 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. Relevant training has been provided for Group Heads and Deputies based on development needs. Human Resources have identified further training for Managers on Practical Workplace Mediation Skills and Mental Health Awareness for Employers, with courses scheduled for March/April 2018. 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. A number of new appointments are underway.	NONE	Group Heads/ MAT/GH C & T * /	Completed/Ongoing Monitoring	Group Head for Commissioning and Transformation provided a general update of this area to the October 2017 Audit Committee.
		11. Failure in service delivery due to reduced capacity and increasing demands from the community; high staff turnover; prolonged staff vacancies due to inability 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. Following a review of recruitment and retention in 2016, market supplements awarded to certain roles and increased investment allocated to certain Services. Recruitment and retention allowances. Briefing sessions have been held to raise awareness amongst Managers about the national apprenticeship scheme.	<p>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.</p> <p>11ii. Implementation of requirements relating to the national apprenticeship scheme.</p> <p>11iii. Human Resources to monitor the effectiveness of measures taken to improve recruitment and retention across the authority, in collaboration with Services.</p>	Group Heads/ MAT/HRM	31 May 2018 R * Requires monitoring	11i. Ongoing <b>Partially Implemented</b> - A decision was made by Management Team that the Apprenticeship Levy would be spent on upskilling internal employees mainly. There will be some recruitment of new apprenticeships under the levy, and progress is being made. 11iii. Ongoing. Management Team have agreed to extend current recruitment and retention allowances for a further year. Group Head for Commissioning and Transformation will be providing a further update to the March 2018 Audit Committee to advise on the latest position .



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		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 audits (risk assessments) can be arranged if necessary. The Human Resources Manager advises MAT as appropriate. See also controls recorded under section 10 above.	12i. Management Team to keep under review.	MAT	Completed/Ongoing monitoring	MAT maintaining under review . Additional budget provision built in to the 2017 - 18 budget for market supplement to assist with recruitment and retention, which is being extended for a further year. Currently on a national pay scheme but are considering a possible move to local pay subject to consultation.
		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	Completed/Ongoing monitoring	13. <b>Implemented.</b> The code has been updated and is due to be reported to Overview and Scrutiny on 13 March to note, Cabinet on 21 March to approve and recommend to Council who will consider on 26 April 2018.
		14a. Procurement - Weak governance arrangements and lack of transparency. 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, challenge and poor VFM	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. E-procurement system in place and contracts sourced with this solution which offers significant time savings and efficiencies for staff in Legal. Procurement strategy and action plan to facilitate monitoring. Developing improved reporting systems and paperwork to streamline the process and encourage further organisational buy-in enabling monitoring of performance and successes more easily. Procurement Officer in post.	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. 14iii. Implement a programme of training for contract managers where the principles of Contract Standing Orders and Contract Check list form the core element of the learning. 14iv. The future of the Procurement Board to be considered as part of a review of all boards across the authority. 14v. Enhanced monitoring arrangements for key suppliers is being implemented (NEW)	MAT DCX (TC)/ PS/Group Head C & T*	31 May 2018 R * Requires monitoring	Group Head for Commissioning and Transformation and the Procurement Officer will be providing an update to the March 2018 Audit Committee. The updated procurement strategy/action plan is being reported to March Cabinet. A central contract register is being compiled. Specific Actions progress: 14i, 14ii & 14iii. <b>Partially Implemented.</b> Proposed actions are being taken forward and implemented. Compliance with the transparency code is being addressed through the purchase of a procurement and contract management system used by 27 local authorities and continues to be a priority for the Procurement officer. Documentary evidence of procurement processes followed and performance monitoring is recognised as an area for improvement (highlighted in the internal audit review of January 2017) and the Group Head for C & T envisages that with the new Procurement Officer and a service level monitoring officer at the Depot this area should improve over time. 14iv. <b>Partially implemented.</b> A decision as to whether the board continues has been incorporated into the Action Plan.
		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 operator contract ends 2021. A paper entitled "Leisure Centre Needs Analysis" was submitted to MAT in July 2014. This was updated in May 2017 and endorsed the recommendation to carry out a feasibility study to refine options going forward. A high level discussion document was presented to Cabinet in October 2016 and a project team formed to support the future direction of this project. All project related documentation is in place including project plans, outline business case (identifying risks and issues) and highlight reports. A high level and more detailed project plan, milestones and deliverables have also been identified. Project Management is shared between the Joint Head and Deputy Group Head for Community Wellbeing. Councillors have been kept informed of key progress milestones. There is close monitoring of the contractor producing the feasibility study to ensure it provides useful information for decision making, with a report due 22 February 2018. Although a clear view on how the project will progress will not be apparent until the feasibility study is complete, outline requirements and timeframes are starting to emerge.	14bi The tender for the appointment of specialist advisors to assist with the development of the feasibility study and financial business plan is due to be published by 30th September 2017. 14bii. A final decision on the site for the new leisure centre is under consideration. 14biii. A Cabinet report was submitted in February 2018 requesting delegated authority to commission a design project team to progress to the next stage i.e. a PM, QS, Architect etc. (NEW) 14 iv A risk register is now in place and monitoring underway. (NEW)	Joint Group Heads CW/Deputy Group Head CW *	31 May 2018 R * Requires monitoring	Current completion of the project is estimated mid-2021, based on an assumption that Planning Permission will be granted late 2018. Update received from the Deputy Group Head for Community Wellbeing on the following areas: 14bi <b>Implemented.</b> The tender for specialist advisors was awarded in November 2017 and the feasibility study is due to be presented end Feb 2018. This will form the basis of a Cabinet report in April 2018 outlining the preferred facilities mix and a high level cost plan including capital and revenue expectations. The Cabinet report will request authorisation to proceed with the next phase of the project (design and build). 14bii. <b>Pending.</b> This will be based on an environmental report which has been commissioned by Asset Management. 14b iii. <b>Some Progress.</b> Procurement of a design team to progress the project will be pursued (once agreed by Cabinet). 14iv. <b>Implemented/ Ongoing</b>

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		15. Pressures on Housing Service as a result of economic climate and welfare reforms. 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. Insufficient affordable properties. Housing shortage.	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 the end of 2018. There is currently £2.85m 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. Corporate Debt Group. 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 working with families affected by the benefit cap. Close working with private landlords. Landlord guarantee scheme went live in Sep 2016 with a number of Landlords having signed up. Projects underway to ensure strategies are followed. A model for the strategic way forward in delivering the Housing function is being applied. Knowle Green Estates (subsidiary) set up in May 2016 focusing on Housing Delivery. Despite this the pressures on the frontline Housing Services continue.	15i. Management Team to continue to monitor the ongoing pressures facing the Housing Service (including impact of County Council cuts and statutory changes). 15ii. Implementation of legislative changes arising from the Homelessness Reduction Act effective from April 2018 and planning for the likely impact on the Housing team. The new Act places increased duties on local authorities to prevent and relieve homelessness. 15iii. A high level internal audit review is currently underway considering the authority's readiness for the homelessness legislative changes. Given that this is a flagship project with full implementation due imminently, Internal Audit are engaging in discussions around the draft findings. (NEW)	MAT / Joint Group Heads CW *	31 May 2018 R * Requires monitoring	15i. Ongoing 15ii. <b>Some Progress.</b> Key activities include project team meetings, recruitment of new housing options staff (to boost team capacity), an operational sub-group consisting of Housing staff focussing on detailed implementation of the service delivery remodelling, liaison with ICT to explore products and solutions to address significant system changes anticipated. Informal reporting has taken place in the form of the Project Sponsor (Joint Group Head of CW, Deborah Ashman) regularly updating the DCX, TC and the Portfolio Holder for Housing on progress with the Council's preparations. The Housing Manager provided a progress report to the Council's Overview & Scrutiny Committee on 28 November 2017. The Deputy Group Head for C & T is due to complete a Project highlight report.
		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. Completion of questionnaires to make an assessment of Partnership governance arrangements. 16iii. Members of Overview and Scrutiny Committee to scrutinise Partnership activity if required.	Group Head C & T	31 May 2018 R * Requires monitoring	<b>March 2018: There are no further developments to report.</b> The Group Head for C & T issued a report to Management team in July 2017 outlining the intention to implement all of the recommended audit actions highlighted in 2016/17. As a first stage a list of significant partnerships entered into across the authority has been compiled and shared.
		17a. Uncertainty over economic growth and supplier failure, impacting on: • Delivery of contracts and services • Business Rate income collected/retained	2	3	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners. Enhanced Monitoring arrangements are being implemented (See Procurement risk category 14a above). Aim to maximise collection/minimise losses for the Council. Use Analyse Local software as information source. Additional counter fraud resource has been made available from August 2017 to identify and investigate potential tax avoidance and evasion cases, working to a specification of high risk categories.	17i. Impact of Business Rate arrangements on Council finances is under ongoing review. 17ii. Spelthorne will be participating in the 100% retention of business rates pilot for 2018/19 providing further incentive to maximise income collection (NEW)	DCX (TC)/Acting Group Head CR *	31 May 2018 R * Requires monitoring	17i. <b>Implemented and Ongoing</b> Key suppliers now added to the S&P Watchlist to enable concerns to be picked up pro-actively. Additional quarterly monitoring of collection and project outturn retention being discussed between the Surrey Councils to be implemented in time for end of quarter 1 2018-19. See also risk category 26, Corporate Counter Fraud.

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		17b. Economic Development Strategy fails to be implemented impacting on growth				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. A permanent post of Business Engagement Officer has now been created (8 May 17) to support inward investment / key account management for 3 days per week. The updated 5 year economic assessment & development strategy for 2017 - 2022 was approved by Cabinet in February 2017. It incorporates recommendations made by Internal Audit in their 2016 review such as formal clarification of responsibilities, establishing timescales for actions in the strategy (wherever possible) to improve accountability, documentary evidence for decision making, enhancing performance review and monitoring mechanisms, and ensuring regular formal Member oversight of the strategy. A Business Improvement District has taken effect for Staines-upon-Thames and charges have been incorporated into annual billing for business rates.	17iv. Economic development is a Council priority and growth will impact on business rate income - this is under ongoing review. 17v. The updated 5 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. 17vi. 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*/ EDM*	Completed/Ongoing Monitoring	17iv. Ongoing review. 17v & 17vi - <b>Implemented and Ongoing</b> . Each year the economic development plan will be reviewed and amended as necessary, with targets that have been achieved removed, and new emerging targets included subject to approval from the EDEG. The strategy has been reviewed internally to establish where actions have now been completed. Work is currently underway to identify and prioritise projects which can be funded from the 100% retention of business rates pilot.
		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. There is a range of different legislation that Human Resources have to oversee and there is no one set process when implementing change. Where there are possible contractual changes and other implications Human Resources notify managers and examples of this are the IR35 changes and English Language requirement. Measures are taken to ensure policies, procedures and working practices are compliant and incorporate best practice. Human Resources also feed into the SLP training programme to ensure any legislative changes are covered in courses on offer for our staff.		MAT/ Group Heads/ HR Manager *	Completed/Ongoing Monitoring	
		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 liaison with the Head of the MASH team. 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. The latest Safeguarding Policy was approved by Cabinet in March 2017 and is on Spelnet. The updated referral procedure is displayed on all notice boards. Escalation of any cross border referrals/ issues to the senior safeguarding managers. Liaison with Human Resources to ensure an accurate list is held of staff requiring training and DBS checks. Online safeguarding training module was launched at Spelthorne in December 2016 and cascade training has been provided for Streetscene and Spelride drivers. Measures have been taken to address internal audit recommendations of December 2016.	NONE	DCX (TC)/LSM/ILM/ Joint Group Heads - CW *	Completed/ongoing monitoring	<b>March 2018:</b> The team have set up a new procedure to deal with the Multi Agency Safeguarding Hub (MASH) enquiries. Four safeguarding officers receive the enquiry from MASH. One officer deals with the enquiry and then consults with the relevant service areas before reporting back to the MASH. Spelthorne is represented on the new Early Help Advisory Boards by the Deputy Chief Executive, Terry Collier. Officers from various sections are assisting.

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		20. Significant and ongoing reduction in Central Government funding. Opportunities for significant income generation and investments are missed, impacting on the Council's ability to close the budget gap and deliver vital services. Weak governance arrangements may contribute to poor investment outcomes and increase exposure to financial risk; loss of anticipated rental income	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 applying innovative ways to fund services and create new revenue streams through commercial asset acquisitions and investments. In September 2016 Spelthorne Borough Council announced the purchase of the campus occupied by BP in Sunbury-on-Thames. BP are tenants at the Sunbury site leasing back the offices from SBC for a minimum of 20 years. This is an example of an investment generating significant income year on year helping the financial sustainability of the Council. Advice is sought from the Treasury Management advisors as appropriate.	20i. Towards a sustainable future programme to be delivered 20ii Legal agreements such as leases to include relevant clauses in order to safeguard the Council's interests, with monitoring arrangements to follow. 20iii. Robust and effective corporate systems need to be in place to record and recover significant rental income due to SBC. 20iv. A robust governance framework is being developed to support property acquisitions and investment processes	MAT	31 May 2018 R * Requires monitoring	<b>20i. Implemented and Ongoing.</b> As part of Income Generation there have been significant asset acquisitions and Investments during the current and previous financial year. Since September 2016 an additional ongoing annual net income of £7.5m has been generated from commercial asset acquisitions. This has enabled a balance budget to be set for 2018-19 and to make revenue contributions towards capital to put capital programme financing on a more sustainable basis. Investment Asset Strategic Parameters approved by Council in December 2017. Supporting Asset management plan, performance indicators and governance to be in place by financial year end. Officer/councillor (Leader and Finance Portfolio Holder) Investment and Development Property Committee now meeting regularly to evaluate performance and opportunities. <b>20ii. Implemented/Ongoing.</b> Thorough due diligence always undertaken with respect to leases and acquisitions and with respect to evaluating strength of covenant of tenants- now using S&P to evaluate. <b>20iii. Some Progress.</b> The newly appointed Property Development Managers within the PDU will be involved in setting up and implementing such systems, in close collaboration with other Services such as Corporate Governance, Customer Services and Finance. The GH for R & G has organised several Process Mapping workshops with a view to assigning roles and responsibilities for the whole process. The resourcing situation within Customer Services needs to be kept under review in light of the fundamental role the corporate debt team will need to play in ensuring effective implementation. <b>20iv. Implemented/ Ongoing .</b> Governance Framework has been developed and continues, as follows; 1. Asset Governance framework and action plan; 2. Property Investment Strategy; 3. Investment and Property Development Committee; 4. Revised regulatory investment guidance (Feb 18) requires LA'S to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. Planned reporting on these Prudential indicators from March 2018; 5. Presentation by the Portfolio Holder for Finance and DCX (TC) to O & S on the council's approach to management of risk with respect to commercial property acquisitions; 6. Robust Treasury Management Strategy; 7. Weekly update to MAT on status of all Priority Flagship projects(incl. commercial asset acquisitions).
		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. In such cases compensating controls are required.	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 has provided additional resources for Housing, Legal and Asset Management. Some key governance roles have also been introduced such as a Procurement Officer and Information Governance Officer. The resourcing situation within Customer Services needs to be kept under review as this is having an impact on the level of controls operating within some systems.

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		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	3	3	3	At the request of Management Team, a discussion paper setting out potential staffing implications and uncertainties associated with Brexit has been prepared by the Human Resources Manager (March 2017). A verbal update has been provided with regards the potential financial implications, risks and opportunities.	22i. MAT to periodically consider potential Brexit uncertainties for Spelthorne and have a plan in place to address.	MAT	31 May 2018 R * Requires monitoring	<b>March 2018: There are no further developments to report.</b> This area requires ongoing review.
		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 counter parties 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.	NONE	DCX (TC) *	Ongoing monitoring	March 2018: Annual Treasury Management Strategy and Capital Programme and Strategy for 2018-19 both approved by Council 22nd February 2018. A new Chief Accountant and Deputy Chief Accountant are in post to oversee the Finance team including the Treasury Management role. The team continues to explore options for diversifying the portfolio. As well as investments the Council now has considerable debt (fixed rate) as 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%. CIPFA Code of Practice and Prudential Code being applied with new recommended indicators for measuring investment performance.
		24. Failure to collect/recover income due, resulting in losses to the authority.	3	3	3	Corporate Debt Officer Group reconvened. This forum is used to monitor the more material items on the aged debt analysis and also coordinate action to tackle debt that is unlikely to be recovered. The DCX, Terry Collier, as S151 Officer, receives and reviews a monthly status report of 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. Corporate Recovery Policy held. 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.	24i. The terms of reference for the Corporate Debt Group require review. Outstanding internal audit recommendations can be monitored and progressed through this group, in particular actions relating to the monitoring and recovery of outstanding aged debt and the governance of the recovery process. 24ii. The sundry debt recovery policy is being reviewed with a view to speeding up the recovery timetable process. 24iii. In order to improve efficiency, there is scope for Customer Services to take greater control over the persual of all sundry debts.	MAT/ DCX, TC/AGH CR/ Group Heads	31 May 2018 * Requires Monitoring	24i. <b>Implemented and ongoing.</b> A review of the terms of reference for the Corporate Debt Group has been carried out which includes reference to the Group's remit in monitoring outstanding internal audit recommendations. A progress review of audit recommendations is being discussed at the March Corporate Debt Group meeting. 24ii. Progress/status being reviewed at the March Corporate Debt Group meeting. 24iii. Progress/status being reviewed at the March Corporate Debt Group meeting.

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
		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 local Police team to identify high risk areas generally and specifically for Spelthorne. Discussion of framework to be applied for the Serious and Organised Crime Audit .	25i. <i>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> 25ii. <i>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	31 May 2018 * R Requires Monitoring	25i. <b>Some Progress</b> - Representatives of the local Police team with specific expertise in this field will be raising general awareness of this topic with Group Heads and relevant Managers at an organised session on 28.3.18. This briefing is intended to compliment the audit review by giving managers an early opportunity to consider potential vulnerabilities in their respective areas. Separate Cyber Security Audit completed in 2017/18 (see risk category 8 above - note Cyber crime is an example of serious and organised crime as it can result in significant harm arising from substantial financial gain for the criminal/financial loss for the organisation). 25ii. This action will be taken forward as part of the planned audit, in collaboration with Group Heads and Managers.
		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. Business Rates Avoidance and Evasion results in loss of income	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 which are very useful forums for sharing skills, knowledge and approaches to tackling fraud/ business rate avoidance/evasion cases. Internal Fraud Overview meetings also held to disseminate high level issues. Fraud alerts and relevant reports are circulated. Additional Corporate Counter Fraud resource procured from Reigate and Banstead Council, in accordance with a pre-defined specification. This contractual arrangement is monitored by the Internal Audit Manager including consideration of financial payback.	26i. <i>Monitor financial payback from Counter Fraud work.</i> 26ii. <i>To arrange Fraud and anti-bribery and corruption training for all staff and Members.</i>	Group Heads/ MAT/IAM	31 May 2018 * R Requires Monitoring	26i. <b>Implemented/Ongoing.</b> Counter fraud work continues with non-benefit fraud returns being collated quarterly, focusing on housing and business rates (evasion and avoidance). At 31.12.17 the cumulative return for Spelthorne (since the start of the Surrey Fraud Partnership in January 2015) exceeds £1m. Collaborative working with Reigate and Banstead's Counter Fraud team has produced positive outcomes particularly in Housing with the introduction of enhanced verification checks for new claims. A joint report prepared by the Acting Group Head for Customer Relations and Internal Audit Manager was issued to Overview and Scrutiny Committee on 16.1.18 highlighting measures being taken by Spelthorne to address business rates tax avoidance and evasion, along with further initiatives to explore. 26ii. <b>Some Progress.</b> Effective methods for delivery of Corporate Fraud, anti-bribery and corruption awareness training (for all staff and Members) are being explored with possible scope for shared training through the Surrey Counter Fraud Board .

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**\*KEY TO RAG RATING**

**\*KEY TO TARGET DATES**

- Actions overdue and outstanding
- Partially acted on

- \* O = Original target date for assigned action
- \* R = Revised target date for assigned action

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
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Completed/Ongoing monitoring

\* 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

EDM – Economic Development Manager, Keith McGroary

IAM - Internal Audit Manager, Punita Talwar

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## **Audit 22 March 2018**

### **ANNUAL REVIEW OF RECRUITMENT AND RETENTION ALLOWANCES**

#### **Purpose of report**

This report is to update audit on aspects of human resources and in this case for the Audit Committee on 22 March the issue of Retention and Recruitment Allowances for 2018/19.

Back in 2017 Management Team agreed to expand the current Recruitment and Retention Scheme to include a more flexible element to include Market Supplements. This is used by Human Resources for hard to fill posts using wider external benchmarking.

#### **Background**

Recruitment and Retention Allowances have been in place since 2003 for use in difficult recruitment circumstances. Recruitment allowances may be applied to new staff where it has been difficult to recruit and where there has normally been at least 1 unsuccessful advertisement, with an allowance of 10% of salary paid.

Retention allowances can be paid to staff in 'hard to fill' posts with recruitment and retention difficulties or in 'one off' situations where it is essential to retain staff for the duration of particular work or projects. Retention allowances have been reviewed annually with payments of 5% of current spinal point; split into 2 annual payments.

#### **Use of recruitment and retention allowances in 2017**

Management Team are aware of the difficulties encountered by a number of service areas to recruit into. A number of posts have had recruitment and retention payments attached to them in 2017.

#### **The following service areas have applied Retention and Recruitment payments during 2017:**

##### **Retention Allowances**

- Senior/Environmental Health Officers (3 posts)
- Principal Environmental Health Officers (2 posts)
- Housing Options Officers (6 posts)
- Housing Options Team Leader
- Senior Housing Options Officer
- Housing Register Team Leader (2 posts)
- Housing Options Manager
- Building Control

### **Recruitment Allowances**

- Housing Inspections Officer (2 posts)
- Environmental Health Regulatory officer (2 posts)
- Environmental Health Officer
- Housing Options Officer
- Housing Options Team Leader
- Housing Options Manager (for new appointment)

### **Recruitment and Retention Allowances for 2018**

#### **Environmental Health**

Current payments are due to be reviewed at the end of April 2018 and the Senior Environmental Health Manager has requested that they be extended for a further year. It is still widely recognised that professional Environmental Health posts are hard to fill. The Senior Environmental Health Manager reports: "We are still experiencing a high throughput of staff and recruitment remains difficult. The salary situation has not changed, with exception of one other local authority in the south of Surrey, Spelthorne's EHO continue to be the lowest paid EHOs in Surrey".

#### **Building Control**

The current payments are also due to be reviewed at the end of March 2018 and the Building Control Manager has requested that the payments continue and has stated: "the case for a retention allowance is even stronger at this point in time as a result of the current Building Control employment market, not only are salaries in private sector Building Control significantly outstripping our salaries but, increasingly, the salaries offered by other county wide local authority Building Control services are also way beyond what we at Spelthorne earn. Should the allowance be removed then we will almost certainly lose a number of surveyors and we'll back to the situation of trying to attract alternative staff. I suspect it will be extremely challenging to attract any surveyors to Spelthorne should the necessity arise. Not only will this result in a huge workload being placed on any remaining staff but it will also drive down our service levels and consequently reduce our income significantly, an income which has been increasing greatly year on year for the past several years and which has consistently more than covered the cost of providing our service by a significant and ever increasing sum.

#### **Housing Options**

As a part of the Housing Options restructure in December 2017, it was agreed that the payments would no longer continue and would cease with effect from the last payment on 31 December 2017

## **Agreed Recommendation**

As a result of the report taken by Human Resources to Management Team in February it was agreed to extend retention payments for a further year. Accountancy have budgeted for recruitment and retention payments for the 2018/19 financial year. The cost will be approximately 25k.

It was recommended the allowances are extended for a further year for the following posts:

- Senior/Environmental Health Officers (2 posts)
- Principal Environmental Health Officers (2 posts)
- Building Control Manager
- Area/Building Control Surveyor (4 posts)

Human Resources will be undertaking a wider external benchmarking to identify if there is a business case for implementing more flexible market supplements that would potentially allow higher payments to be made.

Management Team were also asked to consider payment of Recruitment Allowances to attract suitable candidates if any of the above posts become vacant as it is acknowledged that these are hard to fill posts. We also have the discretion to use these tools, if key members of staff are likely to leave, as incentives for them to stay.

**Report Author: Sandy Muirhead**

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**Audit Committee****22 March 2018**

<b>Title</b>	Confidential Reporting Code (Whistleblowing Policy)		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Internal Audit Manager, Punita Talwar		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<b>The Audit Committee is asked to note the proposed amendments to the Confidential Reporting Code (Whistleblowing Policy) and the leaflet and to recommend any further amendments if necessary.</b>		
<b>Reason for Recommendation</b>	<b>Not Applicable</b>		

**1. Key issues**

- 1.1 The Confidential Reporting Code forms part of the Council's Constitution and sets out how to raise serious concerns about any aspect of the Council's work. It also sets out legal protection against reprisals under the Public Interest Disclosure Act. The Code is attached as Appendix 1.

**2. Options analysis and proposal**

- 2.1 The Audit Committee is required to review the Code annually.
- 2.2 The Code details:
- (a) The nature of concerns which may be reported. (Section 2)
  - (b) Other policies such as the Grievance Procedure which exist to deal with employment issues including bullying or harassment. (Section 2)
  - (c) Safeguards against harassment or victimisation as a result of raising a concern. (Section 3)
  - (d) Processes for raising and dealing with concerns including the various officers and organisations who could be contacted. (Sections 7 to 10)
- 2.3 The Code is available to staff and Members on the intranet and it is included in the Council's Constitution. Following liaison with the Communications team a revised leaflet (Appendix 2) is being produced, due to be placed on every staff notice board (subject to MAT and Audit Committee approval).
- 2.4 There are no proposed amendments to the Confidential Reporting Code.

**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 – Confidential Reporting Code**

**Appendix 2 – Revised Leaflet to be displayed on notice boards (to follow)**

## **CONFIDENTIAL REPORTING CODE (Whistleblowing)**

### **1. INTRODUCTION**

- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment it expects staff and others that it deals with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.
- 1.3 Staff are often the first to realise that there may be something seriously wrong within the Council. However, they may not raise their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern instead of reporting what may just be a suspicion of malpractice.
- 1.4 The adoption of this confidential reporting Code by the Council is intended to encourage and enable all staff to raise any serious concerns they have within the Council, rather than overlooking a problem or 'blowing the whistle' outside. The Code makes it clear that you can raise concerns on a confidential basis, without fear of victimisation, subsequent discrimination or disadvantage. It is based on the Public Interest Disclosure Act 1998, which gives staff raising concerns under its rules legal protection against reprisals.
- 1.5 The Code applies to all staff and contractors working for the Council on Council premises, including agency staff. It also covers suppliers and those providing services under a contract with the Council.
- 1.6 The procedures in this Code are in addition to the Council's existing Complaints Procedure.
- 1.7 This Code has been discussed with UNISON and the Transport and General Workers Union and has their support.

### **2. AIMS AND SCOPE OF THIS CODE**

- 2.1 This Code aims to:
  - encourage you to feel confident about raising serious concerns
  - encourage you to question practice and act upon any concern
  - provide clear channels for you to raise those concerns
  - ensure that you receive a response to concerns you raise and that you are clear about how to pursue them if you are not satisfied
  - reassure you that you will be protected from possible reprisals or victimisation if you raise a concern in good faith reasonably believing something is wrong.
- 2.2 The Council has a Grievance Procedure to enable you to lodge a grievance relating to your own employment and a Harassment and Bullying Policy to enable you to raise any concerns about this area, which should be directed to Human Resources. This Confidential Reporting Code is intended to cover

major concerns you might have that fall outside the scope of other procedures. Such concerns might include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other staff
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption
- serious and organised crime
- sexual or physical abuse of clients, or
- other unethical conduct.

If safeguarding concerns are highlighted then the Safeguarding Policy and procedures must be adhered to.

2.3 Any serious concerns that you have about any aspect of service provision or the conduct of staff or councillors of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Code. This could be about something that:

- makes you feel uncomfortable in terms of your past experience or what you know about standards set by the Council; or
- is against the Council's Standing Orders and policies; or
- falls below established standards of practice; or
- amounts to improper conduct.

2.4 This Code does not replace the corporate complaints procedure.

### **3. SAFEGUARDS**

#### **Harassment or Victimisation**

3.1 The Council is committed to good practice and high standards and wants to be supportive of staff.

3.2 The Council recognises that making the decision to report a concern can be difficult. If what you are saying is true, you should have nothing to fear because you will be doing your duty to the Council and those for whom you are providing a service.

3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) of someone raising something of concern to them and will take appropriate action to protect you against this when you raise a concern in good faith.

3.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

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#### **4. CONFIDENTIALITY**

- 4.1 All concerns raised will be treated in confidence and every effort will be made not to reveal your identity if you so wish. At the appropriate time, however, you may need to come forward as a witness.

#### **5. ANONYMOUS ALLEGATIONS**

- 5.1 This Code encourages you to put your name to your allegation whenever possible.
- 5.2 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 5.3 In deciding whether to consider anonymous concerns the following are some of the factors which will be taken into account :
- the seriousness of the issues raised
  - the credibility of the concern; and
  - the likelihood of confirming the allegation from attributable sources

#### **6 UNTRUE ALLEGATIONS**

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you in accordance with the Council's disciplinary procedures.

#### **7 HOW TO RAISE A CONCERN**

- 7.1 As a first step, you should normally raise concerns with your immediate manager or their manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your management is involved, you should approach the Chief Executive, Chief Finance Officer, Monitoring Officer, or Audit Services.
- 7.2 Concerns may be raised verbally or in writing. If you wish to make a written report it is best to use the following format:
- the background and history of your concern (giving relevant dates);
  - the reason why you are particularly concerned about the situation.
- 7.3 The earlier you express your concern the easier it is to take action.
- 7.4 Although you are not expected to prove beyond doubt the truth of an allegation you make, you will need to demonstrate to the person you contact that there are reasonable grounds for your concern.
- 7.5 You can obtain advice/guidance on how to pursue matters of concern from:

Chief Executive	Daniel Mouawad	(01784 446250)
Chief Finance Officer	Terry Collier	(01784 446296)

Deputy Chief Executive	Lee O'Neil	(01784 446377)
Monitoring Officer	Michael Graham	(01784 446227)
Internal Audit Manager	Punita Talwar	(01784 446454)
Principal Solicitor	Victoria Statham	(01784 446241)
Human Resources Manager (where specifically relates to a Human Resources matter)	Debbie O'Sullivan	(01784 446289)

7.6 In addition you could contact any of the following:-

The Chairman or Vice Chairman of the Members' Code of Conduct Committee: the Council has a Members' Code of Conduct Committee, the purpose of which is to help the Council operate to the highest ethical standards. Both the Chairman and Vice-Chairman are non-councillors and can be approached for advice. Their details can be obtained from Committee Services on 01784 446240/444243 or found on the Council's web site; or

Public Concern at Work - This is a registered charity which seeks to ensure that concerns about serious malpractice are properly raised and addressed in the workplace and they can be contacted on 020 7404 6609; or

Your trade union or professional body.

7.7 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.8 You may invite your trade union, professional association representative or a friend to be present during any meetings or interviews in connection with the concerns you have raised.

## 8. HOW THE COUNCIL WILL RESPOND

8.1 The Council will always respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

8.2 If you raise a concern with your manager which they feel is beyond the scope of their authority or of a serious nature they will refer it to the Monitoring Officer rather than dealing with it personally.

8.3 Where appropriate, the matters you raise may:

- be investigated by managers, audit services, or through the disciplinary process
- be referred to the police

- be referred to the external auditor
  - form the subject of an independent inquiry.
- 8.4 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle for the Council is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example grievance or sexual harassment) will normally be referred for consideration under those procedures.
- 8.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.6 Within ten working days of a concern being raised, the manager with whom you raise your concern or the Monitoring Officer will write to you:
- acknowledging that your concern has been received
  - indicating how the Council propose to deal with the matter
  - giving an estimate of how long it will take to provide a final response
  - telling you whether any initial enquiries have been made
  - supplying you with information on staff support mechanisms, and
  - telling you whether further investigations will take place and if not, why not.
- 8.7 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 8.8 Where any meeting is arranged, which can be away from the offices or your place of work if you so wish, you can be accompanied by a union or professional association representative or a friend.
- 8.9 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.
- 8.10 The Council accepts that you need to be assured that the matter has been properly addressed and so, subject to legal constraints, will inform you of the outcome of any investigation.

## **9. THE RESPONSIBLE OFFICER**

- 9.1 The Council's Monitoring Officer has overall responsibility for the maintenance and operation of this Code. That officer will maintain a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council.

## **10. HOW THE MATTER CAN BE TAKEN FURTHER**

- 10.1 This Code is intended to provide you with clear channels within the Council to raise concerns and the Council hopes you will be satisfied with any action

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taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- Public Concern at Work
- the Council's external auditor
- your trade union
- your local Citizens Advice
- relevant professional bodies or regulatory organisations
- the police.

10.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with the contact point about that.

You can make a difference

# Speak out

if you see something that you  
know isn't right, **report it!**

- fraud, bribery, corruption
  - bullying
  - harassment
  - safeguarding
  - legality
- health and safety
- environmental damage
- serious and organised crime

Report to your line manager or alternatively any of the following:

- Daniel Mouawad, Chief Executive - 446242, [dcm.cex@spelthorne.gov.uk](mailto:dcm.cex@spelthorne.gov.uk)
- Terry Collier, Deputy Chief Executive - 446296, [t.collier@spelthorne.gov.uk](mailto:t.collier@spelthorne.gov.uk)
- Lee O'Neil, Deputy Chief Executive - 446377, [l.oneil@spelthorne.gov.uk](mailto:l.oneil@spelthorne.gov.uk)
- Michael Graham, Monitoring Officer - 446227, [m.graham@spelthorne.gov.uk](mailto:m.graham@spelthorne.gov.uk)
- Victoria Statham, Deputy Monitoring Officer - 446241, [v.statham@spelthorne.gov.uk](mailto:v.statham@spelthorne.gov.uk)
- Punita Talwar, Internal Audit Manager - 446454, [p.talwar@spelthorne.gov.uk](mailto:p.talwar@spelthorne.gov.uk)

The Confidential Reporting Code (whistleblowing policy) can be found at  
[www.spelthorne.gov.uk/whistleblowing](http://www.spelthorne.gov.uk/whistleblowing)

You can also speak to the charity Public Concern at Work for independent and confidential advice by calling **0207 404 6609**.



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**Audit Committee****22 March 2018**

<b>Title</b>	Anti- Fraud, Bribery and Corruption Strategy		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Internal Audit Manager, Punita Talwar		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<p><b>The Audit Committee is asked to:</b></p> <p><b>1. Endorse the Council’s Anti-Fraud, Bribery and Corruption Strategy</b></p> <p><b>2. Recommend the proposed changes to the Anti-Fraud, Bribery and Corruption Strategy to Cabinet.</b></p>		
<b>Reason for Recommendation</b>	<b>The Audit Committee is required to make any recommendations for change to the Cabinet.</b>		

**1. Key issues**

- 1.1 The Audit Committee is required to review the Council’s Anti-Fraud, Bribery and Corruption Strategy annually and to make any recommendations for change to the Cabinet. The Strategy forms part of the Council’s Constitution and is in line with best practice, the Strategy continues to underpin the Council’s commitment to prevent all forms of fraud, bribery and corruption, demonstrating the important role it plays in the overall corporate governance framework.
- 1.2 Some changes are proposed as follows and highlighted in yellow at Appendix 1:
- (Section 8) Update reference to the Chief Executive to ensure it refers to the current Chief Executive, Daniel Mouawad.
  - (Section 13.1 Codes/Procedures) Insert the following references:
    - Code of Corporate Governance (revised March 2018)

- 'The Governance Framework has been developed and enhanced to reflect the increasing commercial asset acquisitions and investments'.

1.2 Key best practice principles such as CIPFA's 'Code of practice on managing the risks of fraud and corruption' and 'Fighting Fraud and Corruption Locally' are considered as part of periodical strategy review, as set out below:

*1. Acknowledge the responsibility of the governing body for countering fraud and corruption*

*2. Develop an appropriate counter fraud and corruption strategy*

*3. Take action in response to fraud and corruption.*

Spelthorne's position: Principles 1-3 are covered by the Council's Anti-Fraud, Bribery and Corruption Strategy.

*4. Provide resources to implement the strategy*

Spelthorne's position – Within the organisation's assurance framework, Group Heads and unit managers represent the first line of defence to prevent and minimise the risk of fraud/detect fraud and it is their responsibility to operate appropriate control systems. The Council has a small resource within Internal Audit to investigate suspected fraud.

Collaborative working with Reigate and Banstead's Counter Fraud team has focussed on high risk areas such as Housing and Business Rates. This work has generated positive fraud returns particularly in Housing with the introduction of enhanced verification checks for new claims. A joint report prepared by the Deputy Group Head for Customer Relations and Internal Audit Manager was issued to Overview and Scrutiny Committee in January 2018 highlighting measures being taken by Spelthorne to address business rates tax avoidance and evasion, along with further initiatives to explore. Quarterly reporting takes place of cumulative counter fraud returns achieved by Spelthorne in the areas of Housing (non-benefit), Business Rates, and Council Tax.

Effective delivery of refresher training on Corporate Fraud, anti-bribery and corruption (for all staff and Members) is being explored with possible scope for shared training through the Surrey Counter Fraud Board.

*5. Identify the fraud, bribery and corruption risks*

Spelthorne's position – Managers are responsible for identifying fraud, bribery and corruption risks in their services, and for operating systems of control to prevent and detect fraud. Internal Audit provides independent assurance that effective controls are in place to mitigate the risk of fraud, bribery and corruption.



In accordance with the Government's Serious and Organised Crime Strategy, liaison with the local police team has taken place to ascertain high risk areas. An awareness raising session has been organised for all Group Head and relevant Managers in March 2018, with a subsequent review planned (led by the Internal Audit Manager). Organised crime includes drug trafficking, human trafficking, child sexual exploitation, **high value fraud** and cyber-crime. Group Heads and Managers will be providing input in assessing governance arrangements in place to combat risks in this area.

## **2. Options analysis and proposal**

**Either:**

i. To note and accept the amendments proposed to the Anti-Fraud, Bribery and Corruption Strategy. (**Preferred option**)

**Or:**

ii. To make no changes to the strategy, thereby not reflecting current practices or requirements.

## **3. Financial implications**

3.1 Resources required (staff time) to implement actions to prevent and detect Fraud, bribery and corruption risks should be contained within existing budgets. There is approved funding for additional corporate counter fraud resource until December 2018, which will be reviewed in due course. Costs associated with Corporate Fraud awareness training are to be explored in due course.

## **4. Other considerations**

4.1 Associated risks and consequences of fraud, bribery and corruption include financial losses (potentially high value), reputational damage to the authority and significant harm to staff or the local community.

## **5. Timetable for implementation**

5.1 There are none.

**Background papers:** None

**Appendices:**

**Appendix 1 – Anti-Fraud, Bribery and Corruption Strategy**

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## APPENDIX 1 - ANTI FRAUD, BRIBERY AND CORRUPTION STRATEGY

### Introduction

1. This strategy is applicable to Members and staff. The Borough of Spelthorne is committed to providing a high standard of service and accountability. An important aspect of this is a strategy which protects against fraud, bribery and corruption within the Council itself and from external sources.

In this context

Fraud means - the illicit gaining of cash or other benefit by deception; and

Corruption means - the dishonest influencing of actions and decisions.

Bribery means – the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly.

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, The European Institute for combatting corruption and fraud (TEICCAF), the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the Department for Communities and Local Government and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
  - An open and honest culture
  - Adequate preventative measures
  - Systems for detection and investigation
  - Understanding and awareness within the Council and the adoption of a "whistleblowing" policy

### Culture

6. The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and

practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence.
8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer (currently Terry Collier)

Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.

Monitoring Officer (currently Michael Graham)

Responsible for the legal probity and avoidance of maladministration or injustice by the Council.

Chief Executive (currently Daniel Mouawad)

Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area.
10. Concerns should be raised with any of the above officers or with the Council's Internal Audit Manager (Punita Talwar).
11. More detailed guidance and advice on how to raise any concerns is contained in the Council's whistleblowing policy.
12. If anyone feels they are unable to raise their concerns through any of the above routes they may contact 'Public Concern at Work' (0207 404 6609), a registered charity whose services are free and strictly confidential.

## Prevention

13. The adoption of proper and adequate measures to prevent fraud, bribery and corruption is the responsibility of Members, Chief Executive, Deputy Chief Executives, Group Heads and other managers. Preventative measures can be classified under two broad headings - Codes/Procedures and Systems.

### 1. Codes/Procedures

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures eg. Financial Regulations,

Standing Orders, Codes of Conduct, **Code of Corporate Governance** and any relevant practice and procedure documents. **The Governance Framework has been developed and enhanced to reflect the increasing commercial asset acquisitions and investments.**

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity.

Members will in particular observe the Spelthorne code of conduct adopted on the 27 June 2012 and subsequently revised on 25 June 2013 any other local Spelthorne code. The Members Code of conduct is kept under review by the Members Code of Conduct Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

In accordance with the Government's Serious and Organised Crime Strategy, an audit review is required to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime, in close consultation with the local police. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Group Heads and Managers will be providing input in assessing governance arrangements in place to combat risks in this area.

## **2. Systems**

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained.

A detailed analysis of the risks associated with any service should be carried out by managers (with assistance from Audit Services as necessary) to ensure that fraud, bribery and corruption is minimised.

### **Detection and investigation**

14. Concerns should be reported to one of the individuals referred to in paragraphs 8 to 10 above or in accordance with the Council's whistleblowing policy. A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service.

15. The Council will deal with any instances of fraud or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Cabinet Member informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed.
16. In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.
17. Given the significance of corporate fraud in national and local statistics, the Council recognises the important role of its Fraud Investigation team in preventing and detecting fraud.
18. **Awareness**
18. The Council recognises the continuing effectiveness of the Anti Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council and receive a copy for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on avoiding and preventing fraud and corruption. Effective methods for training and raising awareness shall be periodically explored.

# Audit Committee

22 March 2018



<b>Title</b>	Internal Audit Service Annual Plan 2018/19		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Internal Audit Manager, Punita Talwar		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	Not Applicable		
<b>Reason for Recommendation</b>	Not Applicable		

## 1. Key issues

- 1.1 This report sets out the work planned by Audit Services during 2018/19 in order to fulfil its statutory and professional requirements.
- 1.2 Accounts and Audit Regulations require local authorities ‘*to maintain an adequate and effective system of internal audit of its accounting records and system of internal control in accordance with proper internal audit practices*’.
- 1.3 Internal Audit is defined as “*An independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*” (Public Sector Internal Audit Standards).
- 1.4 The audit planning process is set out below:
  - 1.4.1 All auditable areas are identified (known as the ‘Audit Universe’). These include:
    - Significant risks included in the Corporate Risk Register
    - Financial and fraud risks
    - Corporate systems and processes
    - Functions operating within Group areas
    - Information governance and security
    - Council acquisitions and Investments
    - Key Council projects and government led initiatives

- 1.4.2 In establishing the internal audit resource requirement and priorities for 2018/19 consideration has been given to existing sources of assurance. These include existing management controls (first line of defence), corporate review and monitoring processes (second line of defence) and independent sources of assurance such as Internal Audit (third line of defence).
- 1.4.3 Continued reliance will need to be placed on other sources of assurance (other than Internal Audit) where possible. As part of the internal audit process during 2017/18 Internal Audit have continued to encourage Group Heads and Managers (representing the first line of defence) to provide assurance that controls in their functions are operating effectively, which contributes to a more efficient way of working as well as promoting Management ownership of risks and controls. Group Heads are required to sign off final versions of audit reports to confirm that the report is factually correct and that the controls are operating as described.
- 1.4.4 Audit work is prioritised and time allocated to each area which is related to factors such as risk evaluations, budgetary implications, value/volume of transactions, known system weaknesses and vulnerabilities, changes in personnel, management requests for Internal Audit input and audit resource available.
- 1.4.5 Group Heads and Managers have been consulted during the audit planning process to identify emerging risks and review areas, which has been incorporated into the plan.
- 1.4.6 The Internal Audit annual plan for 2018/19 will be delivered with a total in-house resource of 1.75 FTE's plus some bought in time (in the region of 40 to 50 audit days). The current sickness absence in the team will also need to be taken into account in resource allocation with options for some staff cover being explored further. In view of this a priority level (either A or B ) has been assigned to the proposed planned audits (Appendix 1).
- 1.4.7 A copy of the Internal Audit Annual Plan Summary (2018/19) is attached at Appendix 1. This also refers to corporate roles and responsibilities which the Internal Audit Manager has involvement in.
- 1.4.8 The Annual Plan is intended to be flexible allowing for periodical review to take into account changing priorities according to perceived risks.

## **2. Options analysis and proposal**

2.1 There are no options.

## **3. Financial implications**

3.1 Not applicable.

## **4. Other considerations**

4.1 There are no further considerations to be taken into account.

## **5. Timetable for implementation**



5.1 The Internal Audit Annual Plan sets out work to be undertaken by the Internal Audit team during the 2018/19 financial year.

**Background papers:** There are none.

**Appendices:** Appendix 1 – Internal Audit Annual Plan– 2018/19.

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## Appendix 1 - Internal Audit Annual Plan 2018/19

Planned Audits - Assurance	Potential Risk implications
Commercial asset acquisitions and investments  <b>PRIORITY A</b>	Poor investment outcomes; weak governance arrangements; non-compliance with regulations increases exposure to financial risk; loss of anticipated income; inadequate arrangements to identify/raise/recover/monitor rental income due resulting in delays or non-collection; shortfall in achieving overall income target; late repayment of loans resulting in financial penalties; negative publicity.
Business Rates 100% Retention Pilot Fund  <b>PRIORITY A</b>	Level of business rates collected and retained less than anticipated. Additional income retained by Spelthorne from the pilot exercise is not targeted to specific/ agreed spend areas.
Core financial systems:  Creditors, Payroll, Sundry Debtors, Treasury Management, Cash Collection and Banking, Main Accounting Systems (6 separate audits)  <b>PRIORITY A</b>  Review of ad hoc income systems <b>PRIORITY B</b>	Financial losses due to fraud, theft, poor value for money, error. Reductions in staff resources/unfilled vacancies impacts segregation of duties and the level of management/independent checks undertaken. Inefficient systems.
Serious and Organised Crime Audit (In accordance with official framework)  <b>PRIORITY A</b>	Poses a threat to national security; lack of awareness may lead to significant 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.
Corporate Project Governance  <b>PRIORITY A</b>	Financial losses. Failure of projects due to poor governance arrangements, lack of resources and expertise. Failure to deliver project outcomes within budget, (cost and time) and/or objectives not met. New systems purchased or facilities/services delivered do not fulfil business, community or user needs.
Commissioning and Transformation – Procurement	Fraud and collusion; supply chain disruption; inadequate due diligence monitoring of supplier status resulting in service delivery failures; inefficient procurement processes; poor management information.

## Appendix 1 - Internal Audit Annual Plan 2018/19

<p>Commissioning and Transformation – Information governance and security</p> <p>Review extent of General Data Protection Regulations being embedded within Services</p> <p><b>PRIORITY A</b></p>	<p>Non-compliance resulting in security/data breach, leading to reputational damage and significant financial penalties (Information Commissioner fines).</p>
<p>Commissioning and Transformation – ICT</p> <p>Advise on emerging risk areas</p> <p><b>PRIORITY A</b></p>	<p>Failure to meet relevant security requirements (PSN); security breaches; unavailability or unreliability of ICT systems; not able to achieve the space savings anticipated in Project Lima; failure to develop technology; policies or strategies not implemented.</p>
<p>Regeneration and Growth – Planning (Development Management)</p> <p>Consideration of new systems and processes being set up in response to Government White Paper</p> <p><b>PRIORITY B</b></p>	<p>Planning processes and performance management arrangements don't reflect latest Government proposals ('Fixing our broken housing market Feb 2017'). Incur significant expenditure without increasing local housing supply or growing local economy.</p>
<p>Regeneration and Growth – Planning – Community Infrastructure Levy (CIL)</p> <p><b>PRIORITY A</b></p>	<p>Significant income sums generated from CIL may not be collected promptly or spent increasing risk of challenge; facilities provided fail to meet community needs or do not comply with CIL regulations</p>
<p>Environmental Health</p> <ul style="list-style-type: none"> <li>Houses in Multiple Occupation (HMO) licensing requirements</li> <li>Enforcement and civil penalties</li> </ul> <p><b>PRIORITY B</b></p>	<p>Loss of licensing income; enforcement policies are inadequate or not applied.</p>
<p>Building Control</p> <p><b>PRIORITY B</b></p>	<p>Loss of fee income; noncompliance with building regulations; unsafe structures leading to possible injury/claims</p>
<p>Community Wellbeing – Housing</p> <ul style="list-style-type: none"> <li>Housing Benefits Overpayments</li> </ul> <p><b>PRIORITY A</b></p>	<p>Significant level of outstanding overpayment debt; failure to fully recover HB debt as regulations stipulate restrictions; lack of skills or expertise to recover the debt.</p>
<p>Community Wellbeing – Housing</p> <ul style="list-style-type: none"> <li>Universal Credit <b>PRIORITY B</b></li> </ul>	<p>Relevant processes not set up or adaptations made to ensure readiness for Universal Credit rollout; reputational risks; community needs not met.</p>

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<p>Community Wellbeing – Housing</p> <ul style="list-style-type: none"> <li>Rent Management System <b>PRIORITY A</b></li> </ul>	<p>Inadequate systems operating to recover and monitor income due from Bed and Breakfast accounts resulting in arrears/loss of income.</p>
<p>Community Wellbeing - Housing</p> <ul style="list-style-type: none"> <li>Review embedding of revised processes following the Homelessness Reduction Act (2018) <b>PRIORITY A</b></li> </ul>	<p>The necessary processes are not implemented to meet legislative requirements, increasing risks of penalties being incurred.</p>
<p>Community Wellbeing</p> <ul style="list-style-type: none"> <li>Independent Living (SPAN) <b>PRIORITY B</b></li> </ul>	<p>Significant funding cuts; failure in service delivery; vulnerable client needs not met</p>
<p>Neighbourhood Services</p> <ul style="list-style-type: none"> <li>Spelride <b>PRIORITY B</b></li> </ul>	<p>Financial loss/ poor value for money from Partnership arrangement; inefficient income recording systems; inadequate management information; vulnerable client needs not met; insecure handling of sensitive data.</p>
<p><u>Assurance Template</u> – As part of the authority’s assurance framework, some reliance is placed on Managers (representing the first line of defence) to confirm adequate controls are operating within their respective functions to mitigate key risks. Internal Audit facilitate the process through review of evidence and compliance testing (for planned assignments).</p>	<p>Failure to manage service risks - leading to service delivery failure, delays, errors, losses, inefficient systems, fraud, injury/death and reputational damage.</p>
<p><u>Corporate Counter Fraud</u></p> <ul style="list-style-type: none"> <li>Collate quarterly fraud returns for Housing, Business Rates and Council Tax. Continue to monitor financial outcomes and wider benefits being achieved from Counter fraud work</li> <li>Contract Management - monitor collaborative working with Reigate and Banstead (Counter Fraud resource); monitor fraud referral levels; assess fraud returns and delivery of expected outcomes.</li> <li>Attendance at Surrey Counter Fraud Board and relevant sub-groups, with dissemination of best practice</li> <li>Internal Counter Fraud Group (SBC)</li> <li>Review Counter Fraud policies</li> <li>Anti- Fraud, Bribery and Corruption awareness training for all staff - explore joint training options with the</li> </ul>	<p>Financial losses and reputational damage. Social housing fraud deprives people in genuine need of a home, placing increased pressure on the Housing Service.</p>

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<p>Surrey Counter Fraud Board</p> <ul style="list-style-type: none"> <li>• Liaison with relevant partners such as the DWP regarding the joint working initiative</li> </ul>	
<p><u>Corporate/Other</u></p> <ul style="list-style-type: none"> <li>• Internal Audit reporting to Management Team and Audit Committee (9 reports per calendar year)</li> <li>• Corporate Risk Management (review and update the Corporate Risk Register with reporting to Members)</li> <li>• Input into Annual Governance Statement</li> <li>• External Audit liaison</li> <li>• External Quality Assessment for Internal Audit</li> <li>• Service Planning</li> <li>• Attendance at Working Groups such as the Corporate Risk Management Group, Counter Fraud Group, ICT Service Improvement Group (SIG) , Information Security Review Group (ISRG) and Information Governance</li> <li>• Advice and support to managers Contingency time for unplanned work requests/special investigations</li> </ul>	<p>The Council's significant risks are not necessarily identified or highlighted; lack of monitoring of risk mitigating actions.</p>

### KEY – PRIORITY RATINGS HAVE BEEN ASSIGNED TO PLANNED AUDIT AREAS BASED ON PERCEIVED LEVEL OF RISK AND SIGNIFICANCE

**PRIORITY A**

**PRIORITY B**

**WORK PROGRAMME 2017/18 AND 2018/19**

**AUDIT COMMITTEE – 22 March 2018**

**Resolution Required**

**1. Work Programme**

- 1.1 This report covers the Work Programme for the current municipal year 2017/18 and the forthcoming municipal year 2018/19.
- 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 third meeting of the Committee scheduled for the municipal year 2017/2018.

**3. Future Meetings**

- 3.1 Meetings of this Committee have been scheduled in the Council's Diary on the following dates:-
- **26 July 2018**
  - **1 November 2018**
  - **28 March 2019**

- 3.2 Details of the Work Programme for future meetings are as follows:

<b>July 2018</b>		
Annual Audit Letter 2016-17	External Auditors	Report
Corporate Risk Management	Audit Manager	Review
Corporate Risk Register	Head of Service - as appropriate	Updates on target dates missed
Audit Services Annual Report	Internal Audit Manager	Report
Committee's Work programme for 2018/2019	Internal Audit Manager / Chief Finance Officer/Audit Committee	Report

<b>November 2018</b>		
Corporate Risk Management	Internal Audit Manager	Review
Corporate Risk Register	Head of Service - as appropriate	Updates on target dates missed
Annual Governance Statement	Chief Finance Officer	Approval
External Audit Plan	External Audit	Report
External Audit report on Audit and Statement of Accounts	Internal Audit Manager	Report

Report on The Effectiveness of the System of Internal Audit	Internal Audit Manager	Report
External Audit Annual Audit Letter	External Audit	Report
Internal Audit Interim Report	Internal Audit Manager	Report
Committee's Work programme for 2018/19	Internal Audit Manager / Chief Finance Officer/Audit Committee	Report

<b>March 2019</b>		
Annual Audit Letter 2017/18	External Auditors	Report
Corporate Risk Management	Internal Audit Manager	Report
Corporate Risk Register	Head of Service - as appropriate	Updates on target dates missed
Confidential Reporting Code (Whistleblowing Policy)	Internal Audit Manager	Report
Anti-fraud, bribery and Corruption Strategy	Internal Audit Manager	Report
Annual Audit Plan 2019/20	Internal Audit Manager	Report
Committee's Work programme for 2018/2019	Internal Audit Manager/Chief Finance Officer/Audit Committee	Work Programme

- 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: Chris Curtis, Committee Manager (01784) 446240**