

**\*ASSURANCE KEY (Columns 2 & 6 of table)**

**Effective** - Controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.

**Some Improvement Needed** - A few specific control weaknesses were noted; generally, however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.

**Major Improvement Needed** - Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.

**Unsatisfactory** - Controls evaluated are not adequate, appropriate or effective to provide reasonable assurance that risks are being managed and objectives should be met.

**\* Internal Audit Recommendations (column 5 of table):**

**\*Reporting on the status of whether internal audit recommendations have been implemented or remain outstanding is based on confirmation from Group Heads/ Managers i.e. Internal Audit have not verified this. MAT & Members should note the comments recorded under the Progress column when considering the direction of travel. It seems appropriate that an effective assurance rating for the current RAG is issued only where all audit recommendations have been implemented.**

Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

Audit Review & issue date of draft/final report	Assurance Level granted at time of audit * (see key)	Accountable Officer	Areas agreed by Managers for improvement arising from Internal Audit Review	Progress comments i.e. 'Implemented' or Outstanding*	Current RAG rating
<p>1. ICT - Incident management process</p> <p>September 2017 (final)</p>	Some Improvement Needed	Group Head for Commissioning and Transformation	<p>Incident Management is defined as the capability to effectively manage unexpected disruptive events, with the objective of minimizing impact or restoring normal operations, within defined limits. In general, controls were operating satisfactorily, although the following recommendations have been made to address some weaknesses found:</p> <ol style="list-style-type: none"> <li>1. Users to be made aware of their responsibilities and procedures to follow when reporting a security incident, ensuring prompt reporting of any security weaknesses or incidents, without any fear of recrimination.</li> <li>2. All security incidents to be logged with event history, audit trail and escalation process, to ensure identification of responsibility.</li> <li>3. Regular training to be offered to staff in order to avoid/minimise risk of security breaches.</li> </ol>	<p>Recommendations implemented and ongoing monitoring as follows:</p> <p>Reference 1 Completed via training (Implemented)</p> <p>Reference 2 Incidents logged (Implemented)</p> <p>Reference 3 Training undertaken and further training planned for July (Implemented)</p>	Effective

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
2.Main Accounting Systems  May 2017 (final)	Some Improvement Needed	Chief Accountant	<p>1. Maintain a succession plan to ensure a smooth transition if key members of the Finance team leave the Council.</p> <p>2. Update the Finance service risk register with the risk and mitigating controls in the event of possible disruption to the service through absence or vacant positions.</p> <p>3. Ensure there is a comprehensive procedure manual for finance which is periodically reviewed.</p> <p>4.Periodically review transactions on the audit log to identify anomalies, irregularities or inconsistencies</p> <p>5.Ensure that Journals are properly authorised by an independent officer</p> <p>6.Sales Ledger reconciliations to the general ledger should be evidenced</p> <p>7. As a 'lessons learned exercise', review the close down process that took place for the 2015/16 accounts. Identify any areas where improvements can be made for 2016/17 for delivery of the final accounts. (This can be applied as an annual exercise)</p>	<p>Reference 1 – Implemented, new posts created and procedure notes being produced.</p> <p>Reference 2 – Outstanding.</p> <p>Reference 3 – Outstanding but in progress.</p> <p>Reference 4 – Implemented.</p> <p>Reference 5 – Implemented.</p> <p>Reference 6 – Implemented, but reconciliation not fully completed yet.</p> <p>Reference 7 – Implemented.</p>	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments - 'Implemented or Outstanding'</b>	<b>Current RAG rating</b>
3.Creditors October 2017 (final)	Some Improvement Needed	Chief Accountant	<p>1.The need to implement compensating controls in view of the absence of segregation of duties between system administration and the processing of transactions on the system (the option to transfer system administration to ICT was not agreed). To incorporate regular review of the Integra system audit logs by an officer independent of the System Administrator/Creditor Manager. To identify an officer within the Accounting team who could deputise for the System Administrator/Creditor Manager in the event of a prolonged absence and as part of general succession planning. Ensure that an up to date Job Description and Job Specification is held for the role of System Administrator/Creditor Manager.</p> <p>2. A manager independent of the Assistant Accountant and the Creditors Manager should review the monthly reconciliation exercise between the BACS payment and the General Ledger to confirm it has been carried out accurately, completely and promptly.</p>	<p>Reference 1 – Outstanding but progressing, temporary resource in place to cover the systems role. New post to be appointed in August that will enable greater segregation.</p> <p>Reference 2 -Implemented</p>	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			3. The Chief Finance Officer to send out a reminder to all staff regarding the requirement to comply with the corporate credit card procedure. The Finance team also need to be advised that they are in a position to challenge any credit card activity which appears to be in breach of the corporate policy, which will also strengthen controls and reduce risks.	Reference 3 – Implemented	
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
4.Partnership Governance  May 2017 (final)	Major Improvement Needed	Group Head for Commissioning and Transformation	1. A responsible officer to review, update and re-issue the Partnership Governance policy. 2. A list of significant Partnerships entered into (strategic, commercial and work- related) should be identified and recorded centrally 3. Governance status questionnaires to be completed for any identified strategic partnerships. 4. Members of Overview and Scrutiny Committee to scrutinise Partnership activity if required. 5. Arrangements made to ensure that partnerships are supported by suitable contract documentation (where appropriate)	Management team report of July 2017 outlined the intention to implement all of the recommended actions.  Reference 1 In progress  Reference 2 Implemented  Reference 3 Identified and recorded  Reference 4 Very few real partnerships now exist  Reference 5 All in place – Implemented	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
<p>5.Performance Management</p> <p>July 2017 (final)</p>	<p>Major Improvement Needed</p>	<p>Group Head for Commissioning and Transformation</p>	<p>Recommendations include:</p> <ol style="list-style-type: none"> <li>1. Re-establishing annual performance reviews of Service Plans</li> <li>2. Ensuring a clear Service Plan guideline and timetable is communicated</li> <li>3. Scheduling performance indicator returns into the Cabinet forward plan</li> <li>4. Scope to make some existing performance indicator's more meaningful</li> <li>5. Improved monitoring of the staff appraisal process</li> </ol>	<p>Implemented (All) – As advised September 2017</p>	<p>Effective (Corporate Risk Register)</p>

Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

Audit Review & issue date of draft/final report	Assurance Level granted at time of audit * (see key)	Accountable Officer	Areas agreed by Managers for improvement arising from Internal Audit Review granted at time of audit * (see key)	Progress comments - 'Implemented or Outstanding'	Current RAG rating
6.Debtors  July 2017 (final)	Major Improvement Needed	Acting Group Head for Customer Relations	<p>Current and outstanding internal audit recommendations representing a medium or high priority are to be monitored and progressed through the Corporate Debt Group. Recommendations include:</p> <ol style="list-style-type: none"> <li>1. Review the terms of reference for the Corporate Debt Group</li> <li>2. Analyse debt balances that have been overdue over a protracted period to determine what action needs to be taken. This should include a review of Bed and Breakfast debts.</li> <li>3. Responsibility for recovery of sundry debt should be clearly defined and documented in procedures.</li> <li>4. Targets should be established to measure the achievement of collection rates and ratios.</li> <li>5. Reports summarising Sundry Debtor arrears rates and collection performance should be produced to coincide and be presented at meetings of the Corporate Debt Group (CDG).</li> <li>6. Accountability for arrears rates and collection performance</li> </ol>	<p>Actions agreed July 2017 and subsequent liaison with the Corporate Debt Group</p> <p>Reference 1 implemented</p> <p>Responses to the following to be provided after the Corporate Debt Group of 5.7.18:</p> <p>Reference 2</p> <p>Reference 3</p> <p>Reference 4</p> <p>Reference 5</p> <p>Reference 6</p> <p>Reference 7</p>	Some Improvement Needed (Corporate Risk Register)

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>should be assessed by the CDG.</p> <p>7. Supporting documentation to be maintained for invoices processed and credit note transactions</p>		
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
7.Contaminated Land October 2017 (final)	Effective	Senior Environmental Health Manager	Minor suggestions made to further improve the risk assessment methodology applied.	Implemented - As advised September 2017	Effective
8.Procurement July 2017 (final)	Major Improvement Needed	Group Head for Commissioning and Transformation	<p>1.It was acknowledged that a plan is held for the development and implementation of a Contract and Procurement hub by December 2017, setting out the Council's strategic approach to Procurement</p> <p>2.Review the Procurement strategy and prepare an accompanying action plan.3.Full compliance with the Local Government Transparency Code is required. 4.Procurement and Contract Management guidelines to be updated and publicised to reflect regulatory changes of 2015.</p> <p>5.Implement a programme of training for contract managers where the principles of Contract Standing Orders and Contract checklists form the core element of the learning.</p>	<p>Actions agreed July 2017.</p> <p>The new Procurement Officer who took up post from September 2017 will be progressing actions.</p> <p>Reference 1 – N/A Reference 2 Implemented Reference 3 In progress Reference 4 In progress awaiting Constitutional change Reference 5 To be completed (Outstanding)</p>	Some Improvement Needed (Corporate Risk Register)



**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
9.Parking  November 2017 (final )	Major Improvement Needed	Group Head for Neighbourhood Services	<ol style="list-style-type: none"> <li>1. A number of previous audit recommendations remain outstanding and require addressing.</li> <li>2. The Parking Services Manager and Senior Administrator to update the Civil Parking Enforcement Policy. Financial Procedures to be updated annually.</li> <li>3. The Senior Administration Assistant to liaise with Accountancy regarding Fees and Charges at charge setting time, to ensure that all documents match up and are in line with fees published on SBC's website.</li> </ol>	<p>Actions discussed August 2017</p> <p>Reference 1 – Implemented Reference 2 – Commenced</p> <p>Reference 3 – Implemented</p>	Some Improvement Needed

<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
--	---	----------------------------	--	---	---------------------------

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

<p>10. Corporate Health and Safety August 2017 (final)</p>	<p>Some Improvement Needed</p>	<p>Senior Environmental Health Manager and Health and Safety Officer</p>	<ol style="list-style-type: none"> <li>1. It was acknowledged that a 12 month rolling health and safety programme being introduced for 2017 (now deferred to commence from 2018) is a series of health and safety activities to be undertaken by operational managers. To ensure an inspection plan is in place which will provide structure to the new process and evidence of the Health and Safety Officers monitoring activities. <i>(To ensure the delivery of the annual rolling plan, Champions for Health and Safety have been recently identified in each Service area to implement the necessary actions. IOSH training is being encouraged).</i></li> <li>2. Health and Safety policy reviews should be formally approved by Members of the Council. <i>(The Health and Safety Policy has since been updated and went to Cabinet for adoption on the 21 June 2017). (Implemented)</i></li> <li>3. Update the Health and Safety pamphlet to include details of the Health and Safety Policy. <i>(Due to be updated in October 2017).</i></li> <li>4. Ensure the Managers Guide to Health and Safety is completed, distributed and publicised before the 12 month rolling H&amp;S program commences, to incorporate the proposed process by which self-audits should be undertaken by Managers. <i>(Health and</i></li> </ol>	<p>Actions agreed July 2017</p> <p>Responses are outstanding.</p> <p>Reference 1</p> <p>Reference 2 – Implemented</p> <p>Reference 3</p> <p>Reference 4</p>	<p>Some Improvement Needed Corporate Risk Register</p>
--	--------------------------------	--	--	---	--

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p><i>Safety at Work Regulations have been circulated for Managers attention).</i></p> <p>5. The Health and Safety Officer will be arranging training sessions for all staff on the use of SHE.</p>	Reference 5 – Commenced	
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
11.Cyber Security January 2018 (final)	Some Improvement Needed	Group Head for Commissioning and Transformation	<p>1.ICT to consider a dedicated resource for the Network Security Management of Spelthorne BC, to ensure a more timely response, particularly in the event of a cyber attack.</p> <p>2. Due to the lack of segregation of duties operating within services in respect of system administrator roles and poor resilience arrangements, managers to review any application access levels set up by the system administrators.</p> <p>3. Managers to ensure that system administrators continue to conduct periodical reviews of user rights to ensure good housekeeping of the systems.</p>	<p>1. Implemented.</p> <p>2. Response not provided</p> <p>3. Response not provided</p> <p>(2 &amp; 3 – It is acknowledged the System Administrators role to be considered as part of the ICT review).</p>	Some Improvement Needed Corporate Risk Register

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

12. Letting and Management of Asset contracts (Runnymede Contract) January 2018 (final)	Some Improvement Needed	Group Head for Regeneration and Growth	1. The audit identified that a number of previous audit recommendations require addressing (i. KPI analysis, ii. independent quality audit, iii. revised Asset Management Strategy/Plan).	Actions agreed January 2018 1i. Outstanding 1.ii Implemented 1.iii Outstanding	Some Improvement Needed
13. Treasury Management April 2018 (final)	Some Improvement Needed	Chief Accountant	<ol style="list-style-type: none"> <li>1. The Service should draw up a new formal Treasury Management policy statement for approval by the Council.</li> <li>2. The Service should ensure that a timetable is agreed for the review, update and approval of the Treasury Management Practices and Schedules.</li> <li>3. Regular cashbook reconciliations (reconciliations between the cash book, general ledger, and the bank) to be completed monthly to ensure any potential errors and discrepancies are promptly identified and rectified. Responsibility for undertaking this task needs to be reassigned and reviewed by an independent officer each month.</li> <li>4. The Deputy Accountant and Chief Accountant to ensure that going forward half yearly treasury management reports are produced in a timely manner, and reported to members.</li> </ol>	<p>Actions agreed March 2018.</p> <ol style="list-style-type: none"> <li>1. Implemented.</li> <li>2. To be implemented by December.</li> <li>3. Implementation in progress.</li> <li>4. Implemented.</li> </ol>	<p>Some Improvement Needed</p> <p>Corporate Risk Register</p>

Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

Audit Review & issue date of draft/final report	Assurance Level granted at time of audit * (see key)	Accountable Officer	Areas agreed by Managers for improvement arising from Internal Audit Review	Progress comments i.e. 'Implemented' or Outstanding*	Current RAG rating
14. Council Tax April 2018 (final)	Major Improvement Needed	Group Head for Customer Relations	<ol style="list-style-type: none"> <li>1. The Council Tax should be reconciled to the General Ledger on a monthly basis and evidence retained that it has been subject to secondary independent review.</li> <li>2. Regular monthly reconciliation exercises from Council Tax to AIM should be undertaken, which are signed off by the preparer and reviewed by an independent person, including any supporting documentation which is maintained.</li> <li>3. Customer Services should write up to date procedures for the effective management of alerts for new builds from Building Control and Planning.</li> <li>4. Customer services, Building and Planning should set a process of having regular liaison meetings to provide updates on permission granted for new builds and completions.</li> <li>5. Customer Services should liaise with the Chief Finance Officer, Terry Collier to escalate a formal letter to the Valuation Office with a view to addressing the ongoing delays.</li> <li>6. All suppressions should be periodically review by a senior officer to confirm validity of suppressions</li> </ol>	<p>Actions were agreed February 2018.</p> <p>1 &amp; 2. (Implemented)</p> <p>3. (Implemented)</p> <p>4. This is part of the root and branch review.(To commence)</p> <p>5. Delays are nationwide and VO have a new set of rules and if they are not followed then reports are rejected. (Ongoing)</p> <p>6. Suppressions / diary codes have expiry dates and are checked regularly and failure to do so would result on the suppression ending.(Implemented)</p>	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>granted to accounts. This should be evidenced.</p> <p>7. Customer Services should review and update the documented procedures for granting Single Person Discounts and ensure documented procedures are produced for the independent reviewing of exemptions/other discounts granted.</p> <p>8. As part of the procedural review, a decision should be made on effective end dates to be input for all SPD cases i.e. one year seems a reasonable timescale, enabling review at this point.</p> <p>9. An appropriate officer within the Council Tax team to monitor SPD results from the countywide Datatank exercise, ensuring any positive fraud returns are included in the corporate fraud returns (collated quarterly by the Internal Audit Manager). A clear timetable should be set for the annual review of all Class N exemptions and 25% Disregard discounts (including SPD), to mitigate against erroneous or fraudulent status.</p> <p>10. Regular review of the Ctax suspense should be undertaken on a monthly basis and balances in the suspense account should be cleared. There may be scope to delegate this task to the Income and Cashiers Officer.</p>	<p>7. Discounts generally have a procedure where the officer can backdate for a year only - any longer requires senior officer/manager verification. (Documented procedures required)</p> <p>8. There is no time limit for backdating as the regulations state the authority should be satisfied it is reasonable. As 7 above officers are restricted.(Implemented)</p> <p>9.The Systems Administrator monitors the work undertaken by Datatank which will be reported quarterly. Class N exemption were fully reviewed in 2016 and will be reviewed again in 2018. Planned review of all discounts in 2018 with periodic reviews thereafter. Again the discounts have a provisional end date and should clock off when the date is attained. (Partially Implemented)</p>	
--	--	--	--	---	--

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>11. Customer Services should review and update the Council Tax recovery policy and Arrears recovery process and save on the T: drive, ensuring accessibility to all officers.</p> <p>12. Outstanding credits balances should be reviewed and reasonable steps taken to refund Council Tax payers where appropriate or credits removed from the Council Tax account and the necessary adjustment made in the Council's main account.</p> <p>13. Recovery action should take place promptly as per recovery guidance 2017/18 and records kept of all recovery action.</p> <p>14. The collection for Council Tax should be reviewed and increased from the current target to 99.50%.</p> <p>15. Customer Services should produce regular monthly reports and issue to the Deputy Chief Exec. (CFO) and Corporate Debt Working Group. These reports should cover: All council tax debts for previous years, Aged debts, collection rate for arrears, customer service telephone call responses (from customers/receive and transfer to other departments).</p> <p>16. The Service should review the current write off policy and update where necessary, as this was last</p>	<p>10. This is done monthly with Accountancy. (Implemented)</p> <p>11. Updated recovery procedures will be completed in 2018 with flow chart and review of appropriate actions.(Outstanding)</p> <p>12. Refunds are being done monthly. Clearing old credit balances is to be considered. (In progress)</p> <p>13. Recovery follows a tight timetable every year. (Implemented)</p> <p>14. 99.5% is unrealistic as an in year collection rate. The current 98.5% is a challenging in year target. (No further action)</p> <p>15. The collection rates are produced. Together with the arrears figure. Further meaningful statistics will be produced. (Partial)</p> <p>16. The write off policy was reviewed in 2016 as a result of the introduction of the</p>	
--	--	--	--	---	--

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			reviewed in 2014. It should then be publicised to relevant staff.	Group Head. (Documented policy required)	
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
15. Payroll  May 2018 (Final)	Some Improvement Needed	Group Head for Commissioning and Transformation	<ol style="list-style-type: none"> <li>1. The HR Manager should, seeking advice from the Information Governance Officer as necessary, prepare a plan for how the department is going to meet the new GDPR regulations and what resource will be needed to complete the necessary work. This plan should then be submitted to the Group Head for approval.</li> <li>2. The HR Manager should document the need for the current system access arrangements, the risks, the mitigating controls/factors and the efforts made to find alternatives in full each year. This document should be submitted to the Group Head for approval to continue using this approach.</li> <li>3. The HR Manager should review the access rights to ITRENT on a quarterly basis. This review should be formally documented.</li> <li>4. The HR Manager should, over a period of time and with the assistance of her team, create a list of tasks that</li> </ol>	Actions agreed May 2018. Progress updates not provided but this is considered reasonable given that the final report was issued in May 18.	Some improvement Needed



**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>are carried out using the Establishment List (or are not carried out at all) because of limitations in the functionality of ITRENT. This information could then be used for one or more of the following purposes: Requesting enhancements from the software supplier; Acquiring additional software modules from the supplier; Communication with other users; and acting as the basis of a needs specification when the time to change the software arrives.</p> <p>5. The HR Manager should ask the approved signatories what information they would like to help them discharge their responsibility to provide effective review of the proposed payment. It may be helpful to suggest that a trend together with brief commentary is provided.</p> <p>6. The HR Manager should design an escalation procedure so that senior management is informed of non-replies regarding the Establishment List Review. This procedure should be presented to the Group Head for approval.</p> <p>7. The HR Manager, or another senior member of the team, should formally review records evidencing HR checks carried out to confirm the validity of Payroll input. This should be on a timely basis to ensure that it has been carried out correctly. Review should be evidenced.</p>		
--	--	--	---	--	--

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>8. The Accountancy department should inform the HR Manager if the payroll reconciliation cannot be prepared on time so that the HR manager can check that the actual BACS transmission was for the amount approved by the final approver.</p> <p>9. The Accountancy department should document the steps necessary to complete the payroll reconciliations so that this work can be completed by others in the event that those who usually carry it out are unavailable.</p>		
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
16. Business Rates May 2018 (final)	Some Improvement Needed	Group Head for Customer Relations	<p>1. Documentation of each of the three key stages in the control over the billing process should be approved by a senior individual and retained on file to demonstrate that they were properly completed.</p> <p>1. The System Administrator should prepare a report showing who has access to the system at present and present this to the Interim Customer Services and Revenue Manager for review and approval. Any changes needed should be made as soon as possible. This exercise should be repeated quarterly to ensure that access rights continue to be appropriate.</p>	<p>Actions agreed May 2018.</p> <p>1. Done as and when and reviewed quarterly (Implemented)</p>	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>2. The ICS&amp;RM should review the suppression report every month and ensure that cases are suppressed only for valid reasons.</p> <p>3. As part of the restructure of the department or otherwise, another individual should be trained to carry out the Academy reconciliation so that this control can continue to be operated even if the CSNO is not available. The Academy Reconciliation should be reviewed monthly by the ICS&amp;RM.</p> <p>4. Responsibility for the approval of refunds should be reviewed with the aim of implementing a stratified approach whereby the DGHCS&amp;C continues to review the highest value proposed refunds but others are reviewed by other members of the management team.</p> <p>5. Retrospective approval of automatic refunds should be fully documented.</p> <p>6. Either as part of the restructuring exercise or otherwise, the process for identifying new properties should be reviewed to determine whether a single consistent process would be more effective. The review should also consider whether “pro-active” communication with the departments who provide the information would be beneficial.</p> <p>7. The Accountancy department should notify the relevant business manager when a control process falls behind or</p>	<p>2. Done and as part of Council Tax Audit above. (Implemented)</p> <p>3. Agreed</p> <p>4. Agreed</p> <p>5. Completed (Additional controls implemented during the audit)</p> <p>6. Under discussion.</p> <p>7. Accountancy to provide response. (Additional resource for reconciliation control process now in place)</p>	
--	--	--	--	--	--

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			is expected to fall behind so that consideration can be given to implementing compensating controls. The two individuals who have been re-engaged should produce detailed documentation explaining how the reconciliations etc. are performed before they leave and should perform an appropriate, documented handover to a suitable individual.		
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
17.Homelessness Reduction Act April 2018 (final)	Some Improvement Needed	Group Head for Community Wellbeing & Deputy Group Head for C & T	<ol style="list-style-type: none"> <li>1. The Project Manager (Siraj Choudhury, Deputy Head of Commissioning &amp; Transformation), with the input of key individuals, should prepare a detailed plan showing how the project will move from its current status to full compliance by 3 April 2018. He should then provide the plan to all those involved in the management or governance of the project.</li> <li>2. Weekly progress reports should be prepared for the final few weeks of the project to ensure that all necessary work is completed on time. These reports should be sent to all those involved in the management and governance of the project.</li> </ol>	<p>Actions agreed March 2018. Reference 1 Implemented</p> <p>Reference 2 Implemented</p>	Effective Corporate Risk Register

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>3. The project should be reclassified as “priority flagship” or other arrangements made for MAT to receive, review and approve the weekly project progress reports.</p> <p>4. The steering committee (Corporate Project Committee) should monitor progress of the project against pre-determined plans, milestones or other plans.</p> <p>5. The steering committee should oversee the production of regular reporting to those charged with governance of the council.</p> <p>6. The Project Manager (Siraj Choudhury, Deputy Head of Commissioning &amp; Transformation), should make arrangements to enable the flowcharting work to commence as soon as possible and allocate sufficient resource to ensure that this task is completed in sufficient time that the systems, processes and controls described in the flowcharts can be implemented before the legislation comes into force.</p>	<p>Reference 3 Reporting was put in place and then project ended so reclassification not required.</p> <p>Reference 4 Implemented</p> <p>Reference 5 Implemented</p> <p>Reference 6 Implemented</p>	

Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

Audit Review & issue date of draft/final report	Assurance Level granted at time of audit * (see key)	Accountable Officer	Areas agreed by Managers for improvement arising from Internal Audit Review	Progress comments i.e. 'Implemented' or Outstanding*	Current RAG rating
<p>18.General Data Protection Regulations (2018)</p> <p>May 2018 (Final)</p>	<p>Major Improvement Needed</p>	<p>Group Head for Commissioning and Transformation</p>	<ol style="list-style-type: none"> <li>1. The project sponsor should put in place the key elements normally associated with a formal project (including those listed in the audit report ) as soon as possible.</li> <li>2. The IGO should prepare a detailed plan, to the extent possible given the currently available information, at the earliest possible opportunity (perhaps after the information asset registers have been completed). This plan should be submitted to the project steering committee for approval and then, if necessary, to MAT for approval of the resource necessary to implement it.</li> <li>3. The project plan should be monitored and updated as the work progresses to ensure that all tasks are identified and thus can be properly planned, resourced, monitored and completed in the most effective way possible.</li> <li>4. The monthly reports should in future provide the information needed by MAT without requiring oral explanations. This is likely to include: An attempt to measure progress against milestones; information about operational (and other) areas that are not completing the tasks allocated to</li> </ol>	<p>Actions Agreed May 2018</p> <p>Reference 1 Project Plan updated</p> <p>Reference 2 In progress</p> <p>Reference 3 and 4 in progress but to fulfil tasks 3 and 4 more resourcing required and total corporate buy in</p>	<p>Some Improvement Needed</p> <p>Corporate Risk Register</p>

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>them in the project plan; additional resource requirements (current or anticipated); and the latest estimated completion date. The draft report should be reviewed by the project steering committee (once established) to ensure that it meets the requirements of MAT.</p> <p>5. The project sponsor should alert MAT to the fact that requests for a significant amount of additional resource will shortly be made.</p> <p>6. Where decisions have to be taken about the principles to be applied in undertaking the GDPR project, they should be approved by the project steering committee and reported to MAT. Consideration should also be given to prioritising areas where the ICO has already publicly announced that it expects immediate compliance.</p> <p>7. The project sponsor should develop a contingency plan for how to continue the project should the project manager become temporarily unavailable.</p>	<p>Reference 5 resource been advertised for</p> <p>Reference 6 Being undertaken but DPO constantly horizon scanning to be aware of ICO issues</p> <p>Reference 7 SIRO aware and more resource in place should provide some resilience</p>	
19.Spelthorne Leisure Centre April 2018 (Pre-Draft)	N/A STATUS REPORT	Group Head for Community Wellbeing	Findings and recommendations raised are currently under discussion. Awaiting management comments to report.		N/A STATUS REPORT
20.Grounds Maintenance June 2018 (Draft)	Some Improvement Needed	Group Head for Neighbourhood Services	1. The Nursery refurbishment needs to be a priority due to officers from the JET team also being relocated from the Depot.Spelthorne Borough	1. Implemented	Some Improvement Needed

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>Council has a duty of care to all staff to ensure they are provided with adequate work and rest conditions.</p> <p>Other findings and recommendations raised are currently under discussion.</p>		
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
21.Cleaning Contract May 2018 (final)	N/A STATUS REPORT	Group Head for Neighbourhood Services	<ol style="list-style-type: none"> <li>1. The quality control process should include a review by an individual with cleaning expertise to ensure that the specification accurately describes the cleaning required by the council.</li> <li>2. A plan for measuring the performance should be prepared so that the practical difficulties, resource requirement and other matters arising can be considered and a realistic approach to performance measurement devised. The targets should also include a qualitative element as well.</li> <li>3. If the in-house option is not to be considered, approval for focusing solely on the external option should be obtained from the Group Head of Regeneration and Growth in the first instance.</li> <li>4. The approach proposed relating to the performance management</li> </ol>	Actions agreed May 2018. Progress updates not provided but this is considered reasonable given that the final report was issued in May 18.	N/A STATUS REPORT



**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

			<p>arrangements for the new contract are documented in full and presented to Group Head for approval.</p> <p>5. After the new contract has been agreed, consideration is given to wider issues such as those mentioned in the audit report, so that they can be implemented, if appropriate.</p>		
<b>Audit Review &amp; issue date of draft/final report</b>	<b>Assurance Level granted at time of audit * (see key)</b>	<b>Accountable Officer</b>	<b>Areas agreed by Managers for improvement arising from Internal Audit Review</b>	<b>Progress comments i.e. 'Implemented' or Outstanding*</b>	<b>Current RAG rating</b>
22.Human Resources (Employment Legislation) July 2017 (final)	Some Improvement Needed	Group Head for Commissioning and Transformation	Where guidance is issued to officers by Human Resources in relation to changes in employment legislation, this needs to be consistently evidenced (documented) as a safeguard against potential employee claims.	Action discussed July 2017 but no further action is deemed necessary by the service	N/A

Follow Up Audit Recommendations	N/A	Audit recommendations were followed up in some higher risk areas to monitor implementation. In June 2017 Management Team supported a change in approach with Managers taking increased responsibility to monitor and report on the implementation of audit recommendations within their teams. This was supported further recently as Managers have been requested to advise on the status of audit recommendations issued during 2017/18 (see above). It is envisaged that this should encourage greater management ownership of control procedures and risk mitigation.
Assurance template	N/A	Internal Audit have continued to encourage Managers representing the first line of defence to provide assurance that controls in their functions/services are operating effectively. Where considered appropriate Managers are asked to populate an assurance template for functions being reviewed, facilitated by Internal Audit.

## Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

Audit assignments at other Councils	-	The former Senior Auditor completed a number of ICT Audit reviews at Woking Borough Council relating to SharePoint, Cyber Security and Cloud Computing. Best practice was shared with Spelthorne, an example being Cyber Security as this review was subsequently undertaken here.
-------------------------------------	---	--

### Other work

Corporate Risk management	The Internal Audit Manager continues to coordinate the Council's Corporate Risk Register which represents the Council's most significant risks and reports regularly to Audit Committee and Cabinet.
Serious and Organised Crime	As Single Point of Contact for Serious and Organised Crime the Internal Audit Manager met with the local Police team to identify high risk areas generally and specifically for Spelthorne. The framework to be applied for the Serious and Organised Crime Audit was also discussed. A local Police representative raised general awareness of this topic at a Group Head's meeting in March 2018, which will be followed up with further training to a wider group of staff. Following management feedback, the preferred approach and next steps in terms of Spelthorne addressing the Government's strategy has recently been discussed with Police representatives with an agreed way forward, intended to assist services in raising awareness by highlighting known risks.
Corporate Counter Fraud	<p>-Collate quarterly fraud returns for submission to Surrey County Council. Significant payback/returns are continuing to be achieved from the counter fraud work and as at 31.3.18 the cumulative return for Spelthorne in terms of notional savings to the public purse exceeds £1.5m (this is since the start of the Surrey Fraud Partnership in January 2015 and shared across SBC, Surrey CC and Surrey Police) with estimated cashable savings for Spelthorne of £327k.</p> <p>-Arrangements to buy-in additional counter fraud resource to target areas which are likely to generate greater financial payback (business rates and housing) has taken effect from August 2017. Spelthorne is procuring services from Reigate and Banstead and the Internal Audit Manager worked closely with relevant teams to scope the specification and finalise the contractual arrangements, which continue to be closely monitored. Collaborative working has produced positive outcomes particularly in Housing with the introduction of enhanced verification checks for new claims. Referrals to Reigate since the commencement of the contract until 31.3.18 have demonstrated significant returns for Housing equating to over £400K. There have also been wider benefits for Spelthorne's Housing team with opportunities to enhance learning and skills in this area.</p> <p>- 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.</p>

# Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)

	<ul style="list-style-type: none"> <li>- External groups are attended with Surrey Partners including the Surrey Counter Fraud Board (SCFB). This enables the sharing of best practice and approaches in tackling housing fraud/business rate avoidance and evasion. Spelthorne participated in a County wide led exercise on Single Person Discount fraud.</li> <li>- The Internal Audit Manager chairs the internal Fraud working group and disseminates any best practice.</li> <li>- A meeting was also held in June between Housing, Internal Audit and A2D to discuss scope for greater joint working in an attempt to combat tenancy fraud. A further meeting is planned.</li> <li>- The possibility of procuring a specialist product (Trust ID) to verify the validity of identity documents is being considered as a corporate counter fraud measure. An initial system demonstration of Trust ID has taken place and liaison with relevant services would suggest there is interest in some areas.</li> <li>- Internal Audit circulates details of frauds identified nationally to make staff aware of risks.</li> <li>- The Whistleblowing poster was revised in March 2018 and placed on all staff noticeboards.</li> <li>- All audit reviews consider fraud risks and a number of specific audit tests have been undertaken to identify potential fraud. However, it remains the responsibility of management to ensure they have systems in place to prevent and detect fraud.</li> </ul>
Advice to management & Liaison (responsive work)	<ul style="list-style-type: none"> <li>- Community Safety – Equipment</li> <li>- Project management</li> <li>- Significant procurements / acquisitions and investments /related governance policies and strategies</li> <li>- Rent Accounting System (project)</li> <li>- Policies and procedures eg PCI DSS (Payment Card Industry Data Security Standard)</li> <li>- Parking – machines/monies</li> <li>- ICT – equipment purchases</li> <li>- Customer Services – Document Retention and Disposal; segregation of duties ; debt write off procedures</li> <li>- Building Control- Document Retention</li> <li>- Planning – CIL monies and related process</li> <li>- Information Governance and Data Protection</li> <li>- Accountancy – Integra system (Housing Benefit Payment Run);corporate credit cards; credit and debit cards; PayPal &amp; Paynet system; grants</li> <li>- Legal – Procurement risks</li> <li>- Assets – Liaison with Runnymede Building Services</li> <li>- Independent Living – Disposals</li> <li>- HR- Reference Checks</li> <li>- Elections – Data Sharing/access</li> <li>- Confidential advice to some service areas</li> <li>- Introductory Meetings with new Managers within Finance, Housing and Procurement to highlight recent audit recommendations issued</li> </ul>

**Appendix 1 to Annual Internal Audit Summary Report (Covers April 2017 to March 2018)**

	<ul style="list-style-type: none"> <li>- Various MAT reports – governance, risk and control issues</li> <li>- Periodical attendance, advice and support to a number of internal working groups including Corporate Risk Management Group, Information Governance, ICT SIG (Service Improvement Group), ISRG (Information Security Review Group) and Corporate Debt Recovery.</li> </ul>
Miscellaneous	<ul style="list-style-type: none"> <li>- MAT and Audit Committee (presentation of reports 3 times a year)</li> <li>- Support to the Council's governance arrangements such as contribution to Annual Governance Statement and consulted on the Code of Corporate Governance review</li> <li>- Service Planning</li> <li>- Meeting with Group Heads to discuss audit planning for 2018/19</li> <li>- Performance Management (Service and personal targets, 1-1's, appraisals, resource allocations for 2017/18 Audit Plan and monitoring progress in delivering Internal Audit Plan)</li> <li>- Team Management</li> <li>- Resource Planning (appointment and management of Contractor resource)</li> <li>- Preparation of audit briefs/programmes and management review of Audits carried out</li> <li>- Spelthorne's former Senior Auditor commissioned to carry out ICT Audits at Woking- liaison with Officers at this Council /preparation of contract/ associated management</li> <li>- Budget Management</li> <li>- Training – Audit/ ICT skills/Corporate training and briefings</li> <li>- MAT feedback meetings with the Deputy Chief Executive</li> <li>- External audit liaison</li> <li>- Responding to Freedom of Information Requests</li> <li>- Participation in Borough Emergency Centre (BEC) exercise</li> <li>- Health and Safety tasks</li> <li>- Corporate staff meetings</li> <li>- Support with election duties</li> </ul>