*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.

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
1.Payroll May 2018 (Final)	Some Improvement Needed	Group Head for Commissioning and Transformation	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. 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. 3. The HR Manager should review the access rights to ITRENT on a quarterly basis. This review should be formally documented. 4. The HR Manager should, over a period of time and with the assistance of her team, create a list	Actions agreed May 2018. 1. In progress 2. Outstanding. The role of systems administrator and where it should be positioned is currently under review. The HR Manager has highlighted capacity issues in terms of continuing with this role. 3. Outstanding. As above the HR Manager is unable to undertake this and needs to be reviewed in line with systems admin requirements (point 2) 4. Outstanding /not pursued as there is currently no budget to cover any	Some improvement Needed Corporate Risk Register (Capacity)

			of tasks that 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. 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. 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. 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	enhancements and additional software modules. There are no current plans to change the software. 5. Outstanding. If self-service and manager approval is rolled out fully then the submission and approval process will be streamlined. Current high ongoing workloads in HR and Payroll have not enabled this to take place. 6. In Progress - senior managers are already alerted when responses to establishment checks are not received. Reminder to ensure that Group Heads are also notified automatically. 7. Members of the HR team (normally HR Assistants) already undertake these tasks and they are evidenced. Counter checks and balances are in place to mitigate.	

			has been carried out correctly. Review should be evidenced. 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. 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.	(Independent management review of HR checks undertaken is not confirmed) 8. Implemented - The target is to balance the Payroll reconciliation by 10th of the following month. If for any reason this is not achieved then the Deputy Group Accountant is notified, they will then notify HR if necessary. 9. Implemented - There are written procedures in place for the reconciliation to be followed in the absence of the Assistant Accountant.	

| 2.General Data Protection Regulations (2018)

May 2018 (Final) | Major Improvement Needed | Group Head for Commissioning and Transformation | 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.
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.
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.
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 them in the project plan; additional resource requirements (current or anticipated); and the | Actions Agreed May 2018.

1.Progressed - a service level data protection compliance plan prepared - Group Heads/Managers to address for their respective services.

2.Progressed - See reference 1 above.

3. Outstanding as Information Asset Registers still need to be moved forward by services to enable full implementation.

4. Outstanding - Services will be charged with providing reports from their areas since they are responsible for implementing compliance plans. | Some Improvement Needed

Corporate Risk Register |

			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. 5. The project sponsor should alert MAT to the fact that requests for a significant amount of additional resource will shortly be made. 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. 7. The project sponsor should develop a contingency plan for how to continue the project should the project manager become temporarily unavailable.	5. Partially implemented as a resource is now in place to support the Data Protection Officer, although any additional service level resource requirements will need to be identified. 6Implemented/Ongoing The terms of reference for the project steering committee will inform how the committee oversees the project. DPO constantly monitoring ICO issues 7.Partially implemented – currently documenting procedures and additional resource to support the DPO provides some resilience.	

Audit Review & issue date of draft/final report	Assurance Level granted at time of	Accountable Officer	Areas agreed by Managers for improvement arising from Internal Audit Review	Progress comments i.e. 'Implemented' or Outstanding*	Current RAG rating

	audit * (see key)				
3.Cleaning Contract May 2018 (final)	N/A STATUS REPORT	Group Head for Regeneration and Growth	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. 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. 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. 4. The approach proposed relating to the performance management arrangements for the new contract are documented in full and presented to Group Head for approval. 5. After the new contract has been agreed, consideration is given to wider issues such as those mentioned in the audit report, so	Actions agreed May 2018. 1. Implemented 2. In progress - under active discussion with new contractor 3. Implemented - Group Head for Regeneration and Growth gave approval to go out to tender for an external provider 4. In progress- draft performance management arrangements prepared to be discussed with the new contractor 5. Under consideration and to be discussed with the new contractor as appropriate	N/A STATUS REPORT

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
			that they can be implemented, if appropriate.		
4.Grounds Maintenance September 2018 (Final)	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 Council has a duty of care to all staff to ensure they are provided with adequate work and rest conditions. 2. Where Inspections are carried out they should be consistently documented and incorporate an element of Health and Safety checks as appropriate. (To be considered and applied in the broader context of the new in-house Grounds Maintenance operation, as well as part of Health and Safety generally)	1. Implemented In progress –recording and site monitoring is being further enhanced	Some Improvement Needed Corporate Risk Register
				2.	

Follow Up Audit Recommendations	As part of the Annual Audit report process (June 2018) Managers were requested to advise on the status of audit recommendations issued during 2017/18, which was reviewed, collated and reported to Audit Committee in July 2018. It is envisaged that this approach should encourage greater management ownership of control procedures and risk

	mitigation. Where appropriate previous audit recommendations are also followed up as part of specific audit reviews undertaken.
Work in Progress	Major Council Projects; ICT audit planning; preparation of several audit briefs and programmes.

Other work undertaken by the Internal Audit Manager (Includes corporate tasks)

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 Management Team, Audit Committee and Cabinet. A review of the risk template format was undertaken in June with a view to making the document more concise, whilst ensuring inclusion of relevant information. Discussions around having a risk appetite statement for Spelthorne have commenced. There is recognition that formulating such a statement, as well as establishing the broad categories for which it might be useful to highlight different risk appetites and subsequently identifying all the associated processes to meaningfully embed any agreed risk appetite will require significant time and resource to implement. The proposed work on the new Investment Strategy will have input to this process as there will be a requirement to articulate risk appetites for all investments.
Serious and Organised Crime	Following management feedback, the preferred approach and next steps in terms of Spelthorne addressing the Government's strategy has been discussed with Police representatives with an agreed way forward, intended to assist services in raising awareness by highlighting known risks. To compliment this further awareness training by Police representatives is to be arranged to a wider group of staff, to include known vulnerabilities.
Corporate Counter Fraud	The Internal Audit Manager collated 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 30.6.18 the cumulative return for Spelthorne in terms of notional savings to the public purse exceeds £1.9m (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 £354k.

Spelthorne has continued to procure services from Reigate and Banstead to target areas which are likely to generate greater financial payback (business rates and housing) and the Internal Audit Manager works with relevant teams to periodically monitor the contractual arrangements. Collaborative working has produced positive outcomes particularly in Housing with the introduction of enhanced verification checks for new claims and a high volume of referrals continue to be made to Reigate, generating notional savings (Housing) of £360k for the period April to September 2018. |

	Positive results were publicised to serve as a deterrent. There have also been wider benefits for Spelthorne's Housing team with opportunities to enhance learning and skills in this area, which has been positively embraced. - 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, and provides opportunities to pursue joint counter fraud initiatives, such as data matching exercises on small business rate reliefs across Surrey and SPD exercises. Spelthorne will also be represented at the NNDR sub group which is being reconvened from November and the Housing tenancy sub group. - Spelthorne participated in a County wide led exercise on Single Person Discount fraud which generated estimated council tax revenue of £241k, with Spelthorne's share of this being approx. £26k. This prompted further work on smart referrals (cases of on-going fraud) which was managed by Reigate's Counter Fraud team. - 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.
Advice to management/services & liaison (responsive work)	- Housing Benefits relating to a potential conflict of interest - Property Development Unit – reviewed and advised on the specification for the new Property Management system - New Homes Bonus – checks undertaken confirming accuracy - Legal liaison over contracts involving the processing of personal data - Assets (Letting of Contracts)– liaison with Runnymede Building Services regarding quality audit undertaken - Elections – Data Sharing/access for fraud prevention purposes - Human Resources – Transparency Code - Guidance/clarity on format of management responses to audit recommendations - Emergency Planning and Business Continuity Procurement - Corporate Governance – sharing of money laundering risk assessment template (regulations 2017) - Accountancy – bond records - Root and Branch review for Accountancy – advised on processes & internal audits undertaken - Various MAT reports – governance, risk and control issues - Confidential advice to some service areas/special investigatory work
Miscellaneous incl. internal audit strategy	- External Quality Assessment for Internal Audit is a requirement under the Public Sector Internal Audit Standards (PSIAS) and the process is currently underway through a reciprocal arrangement with two other local authorities in Surrey. As part of this process the respective Internal Audit Managers/Heads of Internal Audit have each completed a detailed PSIAS self-assessment document and collated associated evidence which is being validated by peers. The outcome of this review including any recommendations will be reported to the Audit Committee in

	due course and is referred to in greater detail in a separate report 'Annual Review of the Effectiveness of Internal Audit'.
	
	- Resource Planning for 2018/19:
	  i. Following the departure of the former Senior Auditor in May, an options paper for future resource was prepared and considered. A recruitment process took place to fill the vacant post and an appointment has been made. The newly recruited post holder will be commencing shortly.
	  ii. Spelthorne have joined the Croydon Framework for Internal Auditor Resource which provides a mechanism to procure Auditor days as required. The Internal Audit Manager liaised closely with Legal and the Procurement Officer in considering this option and is working with the service provider to progress audits to be undertaken.
	
	- Preparation and presentation of reports for MAT and Audit Committee (Reported in July and October 18)
	- Support to the Council's governance arrangements such as contribution to the Annual Governance Statement (annual independent audit opinion for 17/18 on the adequacy of the overall control environment)
	- Service Planning
	- Performance Management (Annual Performance Review for 17/18, 1-1's, appraisal)
	- Team management including liaison with Human Resources
	- Preparation of audit briefs/programmes and management review of Audits carried out
	- Audit Planning 18/19 - work allocations
	- Budget Management
	- Project Lima (Office move)
	- Training & Development – Audit/ Corporate training
	- Input to Audit Committee Training provided by external trainer in July
	- MAT feedback meetings with the Deputy Chief Executive
	- External audit liaison (Interim Audit and introductory meeting with new Auditors)
	- Information Asset Registers and updating data retention policy for the service
	- Responding to Freedom of Information Request (Counter Fraud)
	- Health and Safety tasks
	- Corporate staff meetings