

Please reply to:

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Date: 29 November 2011

Notice of meeting

Audit Committee

Date: Thursday 8 December 2011

Time: 7.30 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines

To the members of the Audit Committee

Councillors:

Mrs M.J. Madams (Chairman)
Mrs D.L. Grant (Vice-Chairman)

A. Ayub
A.E. Friday
Ms D. Patel

A.C. Patterson
C.V. Strong

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.

A G E N D A

- 1. Apologies**
To receive any apologies for non-attendance.
- 2. Minutes**
To consider the Minutes of the meeting held on 22 September 2011 (copy attached).
- 3. Disclosures of Interest**
To receive any disclosures of interest from Members in accordance with the Members' Code of Conduct.
- 4. External Audit Annual Audit Letter**
To note the Annual Audit letter from the Council's external auditors, KPMG. (copy attached).
- 5. Corporate Risk Management**
To receive a report from the Assistant Chief Executive (copy attached).
- 6. Audit Services – Interim Report**
To receive a report from the Head of Audit Partnership (copy attached).
- 7. Confidential Reporting Code (Whistleblowing Policy)**
To receive a report from the Assistant Chief Executive (copy attached).
- 8. Committee Work Programme 2011/12**
The Committee is requested to consider and approve its work programme for the remainder of the Municipal Year 2011/12 (copy attached).

MINUTES OF THE AUDIT COMMITTEE
22 SEPTEMBER 2011

Present:

Councillor Mrs M.J. Madams (Chairman)

Councillors:

A.E. Friday

D. Patel

C.V. Strong

Apologies: Councillor Ms P.C. Forbes-Forsyth, Mrs D.L. Grant and A.C. Patterson

248/11 MINUTES

The minutes of the meeting held on 23 June 2011 were approved as a correct record.

249/11 ANNUAL GOVERNANCE STATEMENT

The Chief Finance Officer presented his [report](#) and outlined the content of the Annual Governance Statement (AGS) 2010-11. The Statement reviewed arrangements for corporate governance and internal control as required by the Accounts and Audit Regulations 2006.

The AGS also identified any areas of significant weakness in internal controls, and areas for improvement, and the actions taken to remedy these.

The Chief Finance Officer gave an update on the two significant governance issues identified in the AGS as outstanding at 31 March 2011, relating to the implications of the government's plans to reform the benefits system and the Council's project management arrangements.

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.

250/11 EXTERNAL AUDIT REPORT ON 2010/11 AUDIT AND STATEMENT OF ACCOUNTS

The Chief Finance Officer reported that external auditors appointed by the Audit Commission, KPMG, were required, in accordance with international auditing standards, to report annually 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 reported annually on their audit of the Council's accounting and internal control systems.

Andy Sayers, on behalf of KPMG presented the [report](#) and responded to Members' questions. He advised that as the outstanding areas to finalise the accounts would not give rise to significant issues, KPMG anticipated issuing an unqualified audit opinion by 30 September 2011. He thanked officers for their efficient responses to audit queries and for the work that the internal audit team carried out on their behalf.

The Audit Committee thanked the officers for their time and effort, recognising the large amount of work that had been undertaken to produce the Statement of Accounts in compliance with International Financial Reporting Standards for the first time this year.

RESOLVED that:

1. the External Auditor's 2010/11 audit report be noted;
2. the Chief Finance Officer sign the letter of representation (as attached to appendix 5 of the Auditors' report);
3. the Chief Finance Officer and Chairman of the Committee sign the statement of accounts and
4. the draft officer responses to the recommendations made in Appendix 1 of the Auditors' report be noted.

251/11 **CORPORATE RISK MANAGEMENT**

The Senior Auditor reported that the [Corporate Risk Register](#) had undergone its regular quarterly review and update by the Corporate Risk Management Group to ensure that actions were being taken to deal with the identified risks. The revised Register was considered to be an accurate reflection of the high level risks affecting the Authority as well as the progress made on actions previously proposed. She highlighted one area which had not been fully addressed relating to the update of the Emergency Plan.

Members raised a query on how the Emergency Plan addressed the risk of flooding and whether information to explain the plans the Council had in place could be made available to the public on the website.

The Assistant Chief Executive explained that multi-agency plans were in place to respond to flooding but that the Council's Emergency Plan officer would be asked to provide a more detailed response to be circulated to the Committee.

Members queried whether A2D should be included on the risk register in relation to its maintenance of social housing.

The Head of Audit Services agreed to raise this matter with the Corporate Risk Management Group and report back to the Committee.

RESOLVED that the contents of the Corporate Risk Register be noted and accepted.

252/11 **ANNUAL REVIEW OF THE SYSTEM OF INTERNAL AUDIT**

The Head of Audit Partnership presented her report which reviewed the system of internal audit and was a statutory requirement of the Accounts and Audit Regulations. There were no nationally set indicators relating to this review, so the following measures had been used to provide assurance that

there was an effective system of Internal Audit: meeting the aims and objectives of the Audit Plan; compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 2006; external audit assessment; adding value; achievements and the Improvement Plan.

The Chairman expressed her personal thanks to the internal audit team and commended them for their work and achievements in assisting the Council during the current period of financial restraint.

RESOLVED that the annual review of the system of internal audit be noted.

253/11 **COMMITTEE WORK PROGRAMME 2011/12**

The Committee considered its Work Programme for the remainder of the 2011/2012 municipal year.

The Committee discussed concerns relating to the risk management arrangements of A2D and wished to add this to their work programme subject to the Chairman liaising with the Chairman of Overview and Scrutiny Committee on the work her Committee were undertaking on this same matter.

RESOLVED that the Committee Work Programme for the remainder of the 2011/2012 municipal year be approved, with the addition of consideration of risk management arrangements at A2D, subject to any review being carried out by the Overview and Scrutiny Committee.



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Annual Audit Letter 2010/11

Spelthorne Borough Council

21 November 2011

The contacts at KPMG in connection with this report are:

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Report sections

- Headlines

Appendices

1. Key issues and recommendations
2. Summary of reports issued
3. Audit fees

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andy Sayers, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

This report summarises the key findings from our 2010/11 audit of Spelthorne Borough Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2010/11 financial statements and the 2010/11 VFM conclusion.

VFM conclusion	<p>We issued an unqualified value for money ('VFM') conclusion for 2010/11 on 28 September 2011. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
VFM risk areas	<p>We identified a number of significant risks to our VFM conclusion and considered the arrangements you have put in place to mitigate these.</p> <p>We concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 28 September 2011. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
Financial statements audit	<p>Our audit of the financial statements identified a number of material errors as a result of the Authority:</p> <ul style="list-style-type: none"> ■ incorrectly including the revaluation gain on four investment properties within the revaluation reserve instead of the Comprehensive Income and Expenditure Statement; ■ incorrectly accounting for accumulated depreciation on revalued assets (two adjustments); ■ netting off amounts owed (liabilities) against receivables in the balance sheet; ■ incorrectly classifying a short term investment as a long term investment; and ■ incorrectly classifying a finance lease as an operating lease. <p>Each of these were adjusted by the authority in the financial statements.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>

We provide a summary of our key recommendation in Appendix 1.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

High priority recommendations	We raised no high priority recommendations as a result of our 2010/11 work.
Certificate	We issued our certificate on 28 September 2011. The certificate confirms that we have concluded the audit for 2010/11 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
Audit fee	Our fee for 2010/11 was £114,915, excluding VAT. This is £3,915 greater than the fee communicated in our 2010-11 Audit Plan in January 2011 due to additional costs incurred whilst auditing the material adjustments to the financial statements. Further detail is contained in Appendix 3.

Appendix 1: Key issues and recommendations

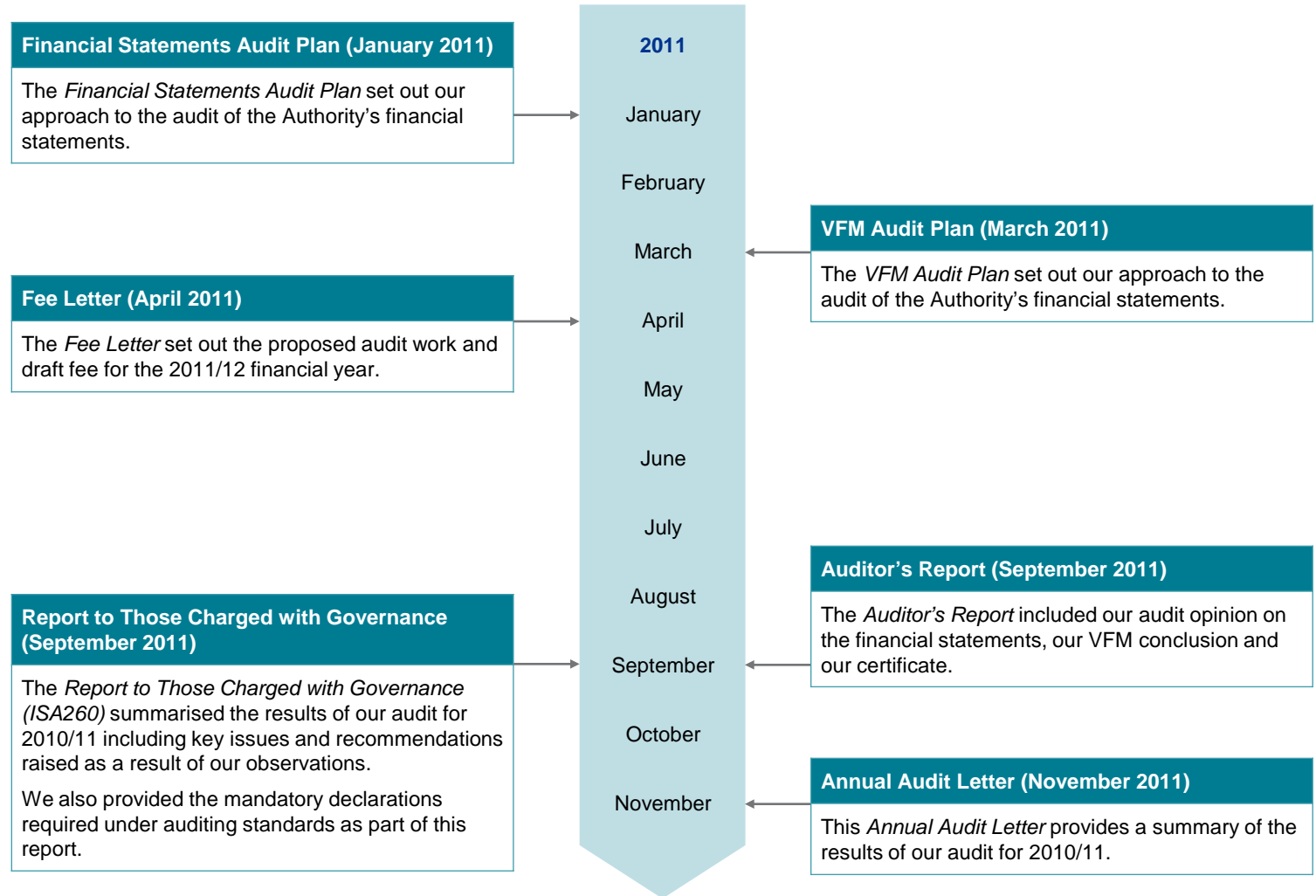
This appendix summarises the medium priority recommendation that we identified during our 2010/11 audit, along with your responses to them.

Lower priority recommendations are contained, as appropriate, in our other reports, which are listed in Appendix 2.

No.	Issue and recommendation	Management response/ responsible officer/ due date
1	<p>Authorisation of journals and invoices</p> <p>Issue</p> <p>The Council has in place an authorisation control whereby invoices over £20k are subject to an additional secondary review. However, we noted one instance where the same officer approved an invoice on the purchase order system and then also provided the secondary authorisation.</p> <p>The Council also has a control in place whereby journals over £20k are authorised before posting. However, we found one instance where a journal over £20k had not been authorised before posting.</p> <p>We also noted that journals below £20k are not authorised before posting.</p> <p>Recommendation</p> <p>We recommend that the secondary review of large invoices is performed by a separate officer and that all journals over £20k are authorised before posting to the general ledger.</p> <p>We also recommend that the Council considers putting in place authorisation procedures for journals below £20k.</p>	<p>Agreed, with immediate effect</p> <p>Chief Finance Officer</p>

Appendix 2: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



This appendix provides information on our final fees for 2010/11.

To make sure that there is openness between us and your Audit Committee about the extent of our fee relationship with you, we have summarised below the outturn against the 2010/11 planned external audit fee.

External audit

Our final fee for the 2010/11 audit Spelthorne Borough Council was £114,915. This compares to a planned fee of £111,000.

The reasons for this variance are:

- an increased fee for the audit of the financial statements reflecting additional costs incurred in auditing the material adjustments to the financial statements of £ 3,915 over and above our initial estimate as at April 2010.

Certification of grants an returns

Our grants work is substantially complete and the fee will be confirmed through our report on the *Certification of Grants and Returns 2010/11* which we are due to issue in January 2012.



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CORPORATE RISK MANAGEMENT
Audit Committee: 8th December 2011
Cabinet: 24th January 2011
Resolution required
Report of the Assistant Chief Executive
REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

Regular review of the Corporate Risk Register helps to improve overall risk management arrangements, which supports all corporate priorities.

Purpose of Report

This report provides Management Team (MAT) and the Audit Committee with an opportunity to review the Corporate Risk Register and note outstanding actions.

Key Issues

- The Corporate Risk Register has been reviewed and updated.
- Progress on outstanding actions has been documented on the register.
- Further actions have been proposed in the register to mitigate risks.

Financial Implications

Staff time to implement actions proposed should be contained within existing budgets.

Corporate Priority All corporate priorities.

Officer Recommendations

The Audit Committee is asked to note and accept the contents of the Corporate Risk Register and recommend it to Cabinet for approval.

Report Author: Punita Talwar, Audit Team Leader, 01784 446454. Deanna Harris, Head of Audit Partnership, 01784 446207

Area of Responsibility: Terry Collier, Assistant Chief Executive, 01784 446296
Cabinet member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 Risk management is frequently defined as "*The identification, analysis and economic control of all threats to the achievement of the organisation's strategies and operational activities*".

Spelthorne provides a wide range of services to residents, local workers and visitors. The nature of these services presents a significant potential for loss (both financial and otherwise), disruption, damage and injury.

Although some risks will always exist and can never be fully eliminated, the adoption of a structured approach to identify, manage, monitor and review risks offers many potential benefits. It will help the Council achieve its corporate objectives and enhance the value of services it provides.

The Council's Risk Management policy/strategy, flowchart of responsibilities and Corporate Risk Register can be found on Spelnet.

- 1.2 This report provides the Audit Committee with an opportunity to review the revised Corporate Risk Register, assess progress on actions previously recommended, and review new actions proposed for improvement.

2. KEY ISSUES

- 2.1 The Corporate Risk Management Group has revised the Corporate Risk Register (Appendix 1).
- 2.2 Progress on actions has been documented on the attached register (see control/action and progress columns). Progress has been made in the following areas:

- All **service plans** for 2011/12 have been updated in the new format. Plans for 2012/13 to incorporate new corporate priorities.
- **Project management** is being relaunched across the authority. A project register has been set up and training is being arranged.
- **IT Security** – A further government Code of Connection (COCO) submission is due in December 2011, and Steria have been requested to complete dual factor authentication on all existing laptops.
- An audit questionnaire was issued to all Service Heads in May in order to seek assurance that **business continuity plans** are fit for purpose and regularly tested. Returns are outstanding for four areas. The Business Continuity forum are due to evaluate responses in December, as well as draw up an action plan for 2012.
- A borough emergency training/test exercise was carried out on 13th Oct 2011. Training relating to the Borough's **Emergency Centre Plan** (operational approach) is ongoing. The Emergency plan (strategic approach) is currently being updated. Senior Management training has been held and other areas of emergency planning are underway.

- A risk assessment for **contaminated land** has been updated, and officers are awaiting the outcome of a government consultation exercise to determine Spelthorne's future strategy on contaminated land.
- The joint Heads of Housing Options and Independent Living have considered the level of support available to the Housing Options Manager for **system administration** relating to the Northgate Housing system, which is felt to be sufficient.
- The Joint Heads of Housing and Independent Living continue to update MAT and Members of any key changes in government policy relating to **Housing Benefits** including new Council Tax discount proposals, and the implications this may have for the Service. Reports have also been issued outlining Housing Benefit staffing arrangements in the interim period before transfer to the Department for Work and Pensions (DWP).

2.3 The following area has not been fully addressed:

- (a) There are aspects of **business continuity planning** which overlap with emergency planning and this is currently being reviewed by Management Team. Furthermore, the Business Continuity Forum has not met since March 2011, although it is acknowledged that a meeting is scheduled for December. See part 5 of the Risk Register.

2.4 Two new actions have been added to the register to mitigate risks as follows:

- (a) Management team (MAT) should consider the adequacy of business continuity planning arrangements and whether there should be a more holistic approach to overall emergency planning activities.
- (b) Actions aimed at further strengthening emergency planning arrangements have been considered by Management Team and the Emergency Planning Officer and require implementation. These relate to clarification of reporting lines, roles and responsibilities, guidance, resilience arrangements, operational matters and business continuity.

3. OPTIONS ANALYSIS

Either:

1. To note and accept the contents of the Corporate Risk Register including the new actions proposed to mitigate risks. 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:

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

4. PROPOSALS

- 4.1 To agree option one above. Please see reasons indicated.

5. BENEFITS AND SUSTAINABILITY

- 5.1 Proposals set out in the Corporate Risk Register should improve overall risk management arrangements across the Authority, which supports all corporate priorities.

6. FINANCIAL IMPLICATIONS

- 6.1 Resources required (staff time) to implement actions proposed in the Corporate Risk Register should be contained within existing budgets.

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 Potential legal consequences should the risks identified not be addressed adequately. The purpose of the Risk Register is in part to avoid such consequences.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 The risks and associated actions to mitigate risks are set out in the Risk Register.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 The Corporate Risk Register shows officers responsible for progressing actions, together with timescales for implementation. The register is reviewed and updated quarterly by Audit Services.

Report Author: Punita Talwar, Audit team Leader, 01784 446454. Deanna Harris, Head of Audit Partnership, 01784 446207

Background Papers: There are none.

APPENDIX 1

**SPELTHORNE BOROUGH COUNCIL
CORPORATE RISK REGISTER – 2011/12 QUARTER 3**

The register summarises the high level risks faced by the Council in relation to achieving the objectives and priorities as defined in the Council's corporate plan. The register sets out the control procedures in place to mitigate these risks, and identifies any further action needed to manage these risks effectively. Actions are assigned to appropriate officers with target dates for implementation.

Corporate Priority themes are referred to in the risk register. It is acknowledged that corporate priorities have been updated.

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

Risk Category	Risk/Consequences	Corp Priority	Level Of Risk	Control / Action	Owner-ship	Target Date	Progress
1. Technology/ Infrastructure /Operations	Failure to align service objectives to corporate aims	All	3	Controls: Service plans are derived from Community and Corporate Plans. Actions: All Service Plans require updating annually and need to reflect corporate priorities. Plans for 2012/13 to incorporate new corporate priorities.	Service Heads	Jan 2013	Nov 2011: All Service Plans for 2011/12 now updated.
2. Technology/ Infrastructure /Operations	Failure of projects due to poor project management arrangements.	All	3	Controls: Project management principles and methodology agreed some years ago, although not consistently applied and scope for senior management to re launch on a corporate level. Actions: Review corporate reporting and management of projects; allocation of responsibilities and resources; corporate guidance; business case preparation and post implementation reviews.	MAT	Jan 2013	Some. Nov 2011: Project Management is being relaunched across the authority. A project register has been set up and training is being arranged.

Risk Category	Risk/Consequences	Corp Priority	Level Of Risk	Control / Action	Ownership	Target Date	Progress
3. Technology/ Infrastructure /Operations	3i.Security breaches, system failure, loss of data	All	3	<p>Controls: Back up and continuity arrangements managed by Steria and tested by Service Heads. IT security policies. Personal Commitment statement required from all staff. Contractual responsibilities of Steria. IT security group assess ongoing risks. IT disaster recovery test conducted June 2011.</p>	Terry Collier/ Helen Dunn		Ongoing
	3ii. Failure to meet the minimum security requirements of the Government Code of Connection resulting in termination of connection to any other government sites/data.	All	3	<p>Controls: COCO review group assess compliance with the Code of Connection Successfully passed security requirements of the Government Code of Connection (COCO) in December 2010 and further COCO submission by 13th Dec 2011. New firewall installed. Independent health check completed in October 2010 and actions addressed. Additional security measures have been implemented, including encryption of laptops, CD'S and memory sticks, (memory sticks banned until they are 'white-listed' as known devices on the network), locking down universal serial bus (USB) ports and improved authentication for remote working. Dual factor authentication set up for all new laptops and most existing laptops. Steria have been requested to complete dual factor authentication on all existing laptops. Penetration testing conducted annually, in accordance with COCO requirements. Latest exercise carried out in June 2011. New arrangements have been implemented for voluntary sector access.</p>	Terry Collier/ Helen Dunn		Ongoing

Risk Category	Risk/Consequences	Corp Priority	Level Of Risk	Control / Action	Ownership	Target Date	Progress
4. Financial	Poor return on long term investments /investments insecure in current climate.	All	3	<p>Controls: Treasury Management strategy approved 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. Use Fitch ratings and criteria recommended by Arlingclose. Regular monitoring and reporting of investment portfolio and returns achieved.</p>	Terry Collier		
5. Technology/ Infrastructure /Operations	Disaster in Council buildings / Lack of continuity planning within services and reliance on individuals/ systems	All	3	<p>Controls: The Health and Safety Officer chairs the gold corporate Business Continuity group under the guidance of the ACX (Brian Harris). The Gold corporate Business Continuity plan has been updated. An action Plan is in place for the Business Continuity Forum which is monitored. Although the Business Continuity forum has not met regularly during 2011, updates on business continuity planning have been provided to the Corporate Risk Management Group. The Health and Safety Officer is responsible for the coordination of business continuity plans. The majority of services have submitted updated plans during 2011 (17 out of 21). A Questionnaire has been issued to all Service Heads (May 2011) in order to seek assurance that plans are fit for purpose and being regularly tested, and returns are outstanding for a few areas undergoing change. There are aspects of business continuity planning which overlap with emergency planning and this is being addressed by Management Team. New website developed to include information on conference calling and provide a single access point for storing information on business continuity planning.</p>	Service Heads/ MAT /Stuart Mann		<p>Some/ Ongoing. Nov 2011: Business Continuity Forum to evaluate responses from questionnaires at December meeting, and draw up an action plan for 2012.</p>

				<p>Action: The Authority must ensure the plans are fully communicated, tested and updated regularly.</p> <p>Action Nov 2011: Management team (MAT) should consider the adequacy of business continuity planning arrangements and whether there should be a more holistic approach to overall emergency planning activities.</p>	Service Heads/ MAT/ Stuart Mann	Jan 2013	Ongoing
6. Environment	Disaster- major in borough, e.g. pandemic influenza, resulting in inability to provide services	Environment	4	<p>Controls: Emergency Plan (strategic approach) being updated. Borough Emergency centre plan (operational approach) written and approved by Management Team, setting out additional requirements for some staff. The Emergency Planning Officer is training individual officers in new roles as part of the emergency response. Training relating to the Borough's emergency centre plan held and ongoing. Members of Management Team attended specialist gold training with Surrey Local Resilience Forum (Sept 2011), and Incident Management team training scheduled for November 2011. Emergency assistance centre work also underway with issues arising being reported to Management Team. Risk assessments completed and major incident flood plan submitted to Surrey Local Resilience forum. Advice and training provided by Surrey Local Resilience forum and the Primary Care Trust. Counter terrorism exercises and reservoir response planning currently underway. National emergency planning exercise attended.</p> <p>Action March 2011: The Borough Emergency Plan (strategic approach) requires updating.</p> <p>Action Nov 2011: Actions aimed at further strengthening emergency planning arrangements have been considered by Management Team and the Emergency Planning Officer and require implementation. These relate to reporting lines, roles and responsibilities, guidance, resilience, operational matters and business continuity.</p>	Liz Borthwick/ Sandy Muirhead	Jan 2013	Some. Nov 2011: The Emergency plan (strategic approach) is being updated and a draft version has been circulated for comments. Also awaiting updated multi agency numbers. A borough emergency training/test exercise was carried out on 13th Oct 2011.

<p>7. Environment</p>	<p>Uncertainty surrounding the financial /economic/other consequences of contaminated land</p>	<p>Environment</p>	<p>4</p>	<p>Controls: Legal duty to inspect land and prioritise action Progress reports issued to Management Team and Cabinet outlining financial and other risks. Department for Environment, Food and Rural Affairs (DEFRA) review on statutory guidance. A separate risk assessment updated in September 2011 is being reviewed by the Head of Environmental Health and Building Control which addresses contractual, financial/resources and legal/regulatory risks. Awaiting the outcome of government consultation exercise to determine Spelthorne's future strategy on contaminated land.</p>	<p>Liz Borthwick / Lee O'Neil</p>	<p>Jan 2013</p>	<p>Ongoing</p>
<p>8. Regulation/ Legal / Litigation</p>	<p>Health and Safety failing resulting in death or serious injuries to staff/public and legal action against the Council</p>	<p>All</p>	<p>4</p>	<p>Controls: Managers responsible for conducting regular risk assessments Induction training for staff and policies clarify responsibilities Health and Safety Officer in post and reports relevant issues/legislation to Cabinet, Management Team, Corporate Risk Management Group (CRMG), all staff, e.g. Corporate Manslaughter Act and associated risks. Contract let to manage Legionella and progress reported to Asset Management Group (AMG) and Management Team as appropriate. Information held on the Council's SHE system for ongoing management by Health & Safety Officer and Asset Management. Procedure document held clarifying health and safety responsibilities/ arrangements where the authority leases out assets.</p>	<p>MAT/ Dave Phillips/ Service Heads</p>		

<p>9. Regulation/ Legal / Litigation</p>	<p>Failure to comply with employment legislation or statutory duty leading to possible compensation (unlimited), damage to reputation, Legal costs and significant officer time.</p>	<p>All</p>	<p>3</p>	<p>Controls: Human Resources (HR) identify new employment legislation HR provide staff guidance on new/existing legislation and arrange training to ensure compliance, although the HR partnership with Runnymede has led to a reduction in professional HR support which could impact on the ability to identify and deal with employment law issues (see risk 10 below – partnerships). Clear documented processes exist for Recruitment and Selection, and Managers Briefings provide opportunity to promote corporate procedures. Equality and Diversity working group set up and training provided to all staff.</p>	<p>Service Heads/ Jan Hunt/ MAT</p>		
<p>10. Partner/ Contractor/ Commercial</p>	<p>Failure to obtain value for money (vfm) / lack of transparency in awarding contracts</p> <p>Contractual disputes and Potential claims through poor documentation.</p> <p>Weak contract management</p>	<p>All</p>	<p>3</p>	<p>Controls: Contract guidelines (simplified version of Contract Standing Orders in place with compliance checklist). Procurement guidance being updated, to be launched in 2012. E-tendering system Procurement and contract management training. Surrey First Initiative identified scope for procurement savings. Performance measures in place and contractual safeguards - Management responsibility.</p>	<p>Service Heads/ MAT</p>		<p>Ongoing</p>

	<p>resulting in Contractors/partners failing to deliver expected outcomes</p> <p>Weak partnership governance arrangements</p>			<p>Review of strategic and internal partnerships undertaken</p> <p>Partnership governance policy in place, and reminders issued to Service Heads on need to comply.</p> <p>Significant partnerships identified.</p> <p>Overview and scrutiny committee to periodically review partnerships.</p>			
	<p>Suppliers/contractors go out of business, affecting the completion of contract works/service delivery, and ability to pay business rates.</p>	All	3	<p>Controls:</p> <p>Financial Services monitor the financial media in relation to larger companies and critical commercial partners that the authority engages with.</p>	Service heads/ MAT/ Terry Collier		Ongoing.
11. Economic/Social	<p>Service planning difficulties due to changes in economic and social conditions beyond Council's control</p>	Environment /Economic Development	3	<p>Controls:</p> <p>Long term strategic planning</p> <p>Corporate and community plans linked to service plans</p> <p>Corporate priority themes being reviewed.</p>	Sandy Muirhead /Liz Borthwick		Ongoing
12. Environment	<p>Failure to deliver sustainable community strategy / deliver climate change strategy:</p>	Environment	3	<p>Controls:</p> <p>Sustainable Development strategy (SDS) and joint Climate change strategy. Energy policy and Carbon Management plan in development. Action plans prepared assigning tasks and targets to named officers, with timescales for delivery.</p> <p>Surrey wide climate change projects being developed through</p>	Liz Borthwick /Sandy Muirhead		Ongoing

	<p>-Contravening legislation (Climate Change Act 2008)</p> <p>-Poor resilience to climate change by services and community</p> <p>-Services not adequately prepared for climate change, effecting service delivery.</p>			<p>the Surrey Climate Change Partnership (SCCP), to be assigned as and when appropriate.</p> <p>Environmental impact assessments completed.</p> <p>National Indicator 188 (climate change) no longer applicable.</p> <p>Climate change impact reports will be used to identify key risks.</p> <p>SDS Delivery Board set up to monitor the implementation of Sustainable Development strategy and related action plans including climate change measures. Meetings held every two months and minutes available.</p>			
13. Financial	<p>Fraud / theft (income, assets, payments), resulting in financial losses and damage to reputation of authority.</p> <p>In current economic climate, increased risk that individuals will be tempted to perpetrate fraud.</p>	All	3	<p>Controls: Corporate Policies in place to help create a culture of honesty and ethical behaviour such as Whistle blowing, Anti-fraud, Bribery and Corruption, employee Code of Conduct, gifts and hospitality, Register of Interest. Staff to be reminded about governance policies as part of the annual appraisal process. Fraud awareness report due to go to MAT. Implications of Bribery Act (July 2011) being considered. Service risk assessments outlining control procedures and arrangements in place to prevent the risk of fraud or help detect it.</p> <p>Key controls include compliance with policies and procedures such as Financial Regulations and Contract Standing Orders (CSO'S), management checks, segregation of duties, reconciliation processes for financial systems, good IT Security measures.</p>	Service Heads/ MAT		Ongoing
14. Technology/Infrastructure/Operations	<p>Failure in service delivery due to over reliance on individuals eg</p>	All	3	<p>Controls: Resilience and back up arrangements within Housing Benefits, Revenues and Customer Services have been addressed.</p> <p>Action Aug 2011: <i>The joint Heads of Housing Options</i></p>	Terry Collier/ Deborah Ashma	Nov 2011	Actioned. Nov 2011: <i>Housing Options feel that sufficient</i>

	<p>Housing Options, Revenue and Benefit system administrator roles.</p>			<p>and Independent Living to consider ongoing support available to the Housing Options Manager for system administration relating to the Northgate Housing system.</p>	<p>n /Karen Sinclair / Liz Borthwick</p>		<p>support is provided by the Treasury Accountant on the Northgate Housing system. Runnymede borough council also use the Northgate system, providing further resilience.</p>
	<p>Failure in service delivery due to reduced capacity and demands from the community Increased risk of delay, errors or stress Organisational impact (and impact on individuals) arising from the significant level of change at senior management level.</p>			<p>Short term reductions in capacity due to increasing demand from the community or short term absence of staff on leave or sickness are accommodated by careful prioritisation and reallocating work among staff. Longer term impacts and changes to demand may be more difficult to address and a fundamental review of arrangements may be required to align staff resources to the work required. System redesign may be possible to help match resources to the level of work In some circumstances it is necessary to supplement staffing levels with additional temporary or permanent resource. Resources need to be diverted to implementing new systems or introduce ways of working Plans are in place to deal with the reallocation of responsibilities following the planned senior staff reductions that will take place at the end of the year.</p>			

<p>15. Regulation/ Legal/ Litigation</p>	<p>Failure by County to address Spelthorne referrals relating to vulnerable children.</p>	<p>All</p>	<p>3</p>	<p>Controls: The Council has policy/procedures in place and all relevant staff have been trained. A meeting has been held between the Assistant Chief Executive (Liz Borthwick) and Surrey County Council (SCC) to discuss this issue, and the Leader has also met with the Chief Executive (SCC). The Housing Options Manager regularly monitors cases/referrals and reports any outstanding issues to SCC. Any concerns are brought to the attention of the Service Head. Regular meetings with SCC and joint training provided.</p>	<p>Liz Borthwick/Lisa Stonehouse</p>		<p>Ongoing</p>
<p>16. Financial</p>	<p>Pressures on Housing Service as a result of changes in government policy to restrict housing benefit and general economic climate. Changes announced relating to the future administration of Housing Benefit may lead to staff seeking alternative jobs.</p>	<p>All</p>	<p>3</p>	<p>Controls: Service Heads/ MAT/Members aware of possible risks. Internal structures being reviewed.</p> <p>Action: Service Heads/MAT to monitor, evaluate performance and recommend changes in staffing requirements as appropriate.</p> <p>Action: In light of the future transfer of Housing Benefit administration to the Department for Work and Pensions (DWP), as well as planned retirements within the service, the joint Heads of Housing Options and Independent Living to ensure adequate arrangements are in place for staff resilience within the interim period. It is acknowledged that there is still uncertainty as to future government plans.</p>	<p>Karen Sinclair / Deborah Ashman/ MAT</p>	<p>Jan 2013</p>	<p>Ongoing Nov 2011: Heads of Service update MAT on changes in government policy and implications for Service. Reports issued on Housing Benefit staffing and a Housing report was issued to Overview and Scrutiny committee.</p>

17. Financial	Reduction in service delivery and possible loss of internal control as a result of savings required to balance budget	All	3	Controls: Management is responsible for maintaining key internal controls regardless of resource levels. Any savings offered will be accompanied with summary of any associated risks.	MAT/ Service Heads		Ongoing.
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***Reviewed November 2011
 Punita Talwar, Audit Team Leader, Audit Services.***

AUDIT SERVICES – INTERIM REPORT
Audit Committee: 8 December 2011
Resolution required
Report of the Head of Audit Partnership
REPORT SUMMARY

How does the content of this report improve the quality of life of Borough Residents

The Accounts and Audit Regulations require the Council to maintain an adequate and effective internal audit of their accounting records and control systems. This report provides the Council with assurance on the adequacy of those controls as a contribution to the proper, economic, efficient and effective use of resources.

Purpose of Report

The report summarises work undertaken by Audit Services during the period April 2011 – November 2011.

Key Issues

- Audits undertaken/ongoing during the period April - November 2011
- Other Audit Work

Financial Implications

There are none.

Corporate Priority

The maintenance of a strong internal control environment supports all corporate priorities.

Officer Recommendations

The Audit Committee is asked to note and approve the Audit Services' Report for the period April 2011 – November 2011.

Report Author: Deanna Harris, Head of Audit Partnership, 01784 446207

Area of Responsibility: Terry Collier Assistant Chief Executive 01784 446296

Cabinet member: Councillor Tim Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The Accounts and Audit Regulations require the Council to maintain an adequate and effective internal audit of their accounting records and control systems. This report provides the Council with assurance on the adequacy of those controls.
- 1.2 Internal Audit is playing a vital role in supporting management and members at a time when:
- (a) Internal controls could be compromised by reduction in resources together with increasing demands on services
 - (b) The risk of fraud is higher
 - (c) Value for money is a priority
 - (d) There is an increasing need for transparency, particularly relating to procurement decisions.

2. KEY ISSUES

- 2.1 **Audits undertaken/ongoing during the period April - November 2011 are listed below.**

Audit	Level of Audit Assurance * (see table below for definitions)	Number of recommendations (Medium/high risk)
Main Accounting	Some improvement needed	15
Treasury Management	Some improvement needed	2
Cash Collection and Banking	Some improvement needed	6
Debtors	Some improvement needed	18
Creditors	Some improvement needed	3
Housing Benefits	Major Improvement Needed (See 2.3 below)	24
Payroll	Some improvement needed	13
Council Tax & NNDR (National Non Domestic Rates)	Effective	0
Asset Register/Capital Accounting	Some improvement needed	3
ICT	Some improvement needed	7
Leisure	Some improvement needed	10
Corporate governance	Some improvement needed (‘Substantial’ under previous definitions)	13
Elections	Effective	0

Vehicle acquisition	Effective	0
Fraud Awareness	Some improvement needed	3
Remote Working Pilot	It has not been possible to complete this audit for reasons outside Audit's control. A verbal update will be provided.	
Procurement	Ongoing	
Web development	Ongoing	
Gravel extraction	Ongoing	
Eco Park	Ongoing	
Payment testing	Ongoing	
Independent Living	Ongoing	
Asset Management	Ongoing	
Contaminated Land	Ongoing	
Business Continuity	Ongoing	
HR/Payroll – replacement IT system	Ongoing	
Parking	Ongoing	
Sharepoint	Ongoing	
IT contract	Ongoing	
Potential overpayment in relation to waste contract – outstanding 2009 audit	With Head of Environment Services / Legal. A verbal update will be provided.	

2.2 *The four levels of assurance used by Internal Audit are defined below:

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.

- 2.3 The Housing Benefit audit was assessed as 'Major Improvement Needed'. Most of the recommendations have been implemented by the Heads of Service and some are partially implemented.
- 2.4 Assistant Chief Executives are responsible for monitoring outstanding audit recommendations.
- 2.5 **Other Audit Work**
- 2.6 **Partnership Working**
- 2.7 The internal audit partnership with Elmbridge continues successfully and the joint team works closely with Woking Council auditors. ICT auditing expertise has been sold to Woking Council during the year.
- 2.8 A proposal to expand the audit partnership to Runnymede Borough Council was submitted at the request of their Chief Executive. Unfortunately, the budget at Runnymede has been cut significantly and the Head of Audit Partnership is unable to provide a service which meets statutory and professional requirements, or addresses significant risks faced by that authority within the budget available.
- 2.9 **Housing Benefit – System Administration**
- Internal Audit undertook an independent review of the Housing Benefit system administrator roles, and made recommendations for streamlining procedures and transferring functions to improve resilience.
- 2.10 **Customer Services**
- The team continues to advise management on various aspects of the new service and on the transfer of Financial Support Services under Phase 2 of the project.
- 2.11 **Advice** has been requested from services and members on various risk and control issues. During the period this has included:
- (a) Advice on Shepperton regeneration / Shepperton skate park projects and associated risk management.
 - (b) Advice on revised corporate project management.
 - (c) Business Continuity Planning and Emergency Planning.
 - (d) Employee car loan system.
 - (e) Housing Benefit Overpayments.
 - (f) Mayoral expenses.
 - (g) Staffing structures, financial procedures and various other matters.
- 2.12 **Corporate Risk Management** – see separate risk report. Audit provides advice to the Corporate Risk Management Group and co-ordinates the Council's corporate risk register.
- 2.13 **Audit Committee** – Preparation of reports, Management Team/committee attendance, various meetings, committee follow up action and correspondence.
- 2.14 **Anti Fraud Bribery and Corruption Strategy** – Revision of strategy to reflect new Bribery Act and presentation to Audit Committee.

- 2.15 **Partnerships** The Head of Audit is taking over responsibility for overseeing corporate partnership (shared service) initiatives and this includes membership of Surrey wide Transformation Group.
- 2.16 **Miscellaneous** – Meetings (one-to-ones, appraisals, team, departmental, attendance at MAT, manager’s briefings), team management, liaison with external audit, budget monitoring, processing contract payment certificates, Service Planning, health and safety issues, timesheets, updating audit recommendation database, updating risk management page on Spelnet, research on guidance provided by Professional Institutions, Business Continuity Planning, contractor recruitment, Surrey Benchmarking and various other tasks. Auditors attended various courses and seminars.

3. OPTIONS ANALYSIS

- 3.1 There are none.

4. PROPOSALS

- 4.1 There are none.

5. BENEFITS AND SUSTAINABILITY

- 5.1 There are none.

6. FINANCIAL IMPLICATIONS

- 6.1 N/A

7. LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 The Annual Audit Report demonstrates compliance with Local Government Act 1972 and Accounts and Audit Regulations.

8. RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 Risks associated with individual audits are reported to management and escalated to the Corporate Risk Register/Audit Committee if significant. Implementation of audit recommendations will reduce risks for the authority. All audit work is supported by detailed risk assessment.

9. TIMETABLE FOR IMPLEMENTATION

- 9.1 N/A

Report Author: Deanna Harris, Head of Audit Partnership, 01784 446207

Background Papers: There are none

**CONFIDENTIAL REPORTING CODE
(WHISTLEBLOWING POLICY)**

Audit Committee: 8 December 2011

Resolution Required

Report of the Assistant Chief Executive

EXECUTIVE SUMMARY

How does the content of this report improve the quality of life of Borough Residents

Provides assurance that the Council has in place a policy for ensuring serious concerns are reported and investigated, and that the risk of loss as a result of improper use of resources or claims against the authority is reduced.

Purpose of Report

To review the Confidential Reporting Code (Whistleblowing Policy) and to make recommendations for amendment if necessary.

Key Issues

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

The Audit Committee is required to consider whether the Confidential Reporting Code (Whistleblowing Policy) requires any amendment.

Financial Implications

No financial implications

Corporate Priority

Supports all priorities

Officer Recommendations

The Audit Committee is asked to note the Confidential Reporting Code (Whistleblowing Policy) and to recommend any amendments as necessary.

Contact: Deanna Harris, Head of Audit Services 01784 446207

Portfolio Holder: Councillor Evans

MAIN REPORT

1. BACKGROUND

- 1.1 The Confidential Reporting Code (Whistleblowing Policy) forms part of the Council Constitution and sets out how to raise serious concerns about any aspect of the Council's work, and the legal protection against reprisals under the Public Interest Disclosure Act.
- 1.2 The Code details:
 - (a) The nature of concerns which may be reported.
 - (b) Other policies such as the Grievance Procedure which exist to deal with employment issues such as bullying or sexual harassment.
 - (c) Safeguards against harassment or victimisation as a result of raising a concern.
 - (d) Processes for raising and dealing with concerns including the various officers and organisations who could be contacted.
- 1.3 The Code is available on the Intranet, a leaflet (**Appendix 2**) has been placed on every notice board and reminders are issued to remind staff of its existence.

2. KEY ISSUES

- 2.1 The Confidential Reporting Code provides the necessary policy and guidance for reporting concerns, and is important element of the Council's corporate governance arrangements.

3. OPTIONS ANALYSIS

The Audit Committee may:

- (a) Note contents of the Code, or
- (b) Recommend amendment to the Code

4. PROPOSALS

- 4.1 There are no proposals.

5. BENEFITS AND SUSTAINABILITY

- 5.1 The Confidential Reporting Code should ensure that serious concerns are reported, investigated and dealt with. There are no ongoing costs or sustainability issues.

6. FINANCIAL IMPLICATIONS

- 6.1 None.

7 LEGAL IMPLICATIONS / OTHER CONSIDERATIONS

- 7.1 The Council's Monitoring Officer has overall responsibility for operation and maintenance of the code.
- 7.2 The Public Interest Disclosure Act (PIDA) requires the authority to provide protection to anyone reporting concerns from victimisation, dismissal etc.

8 RISKS AND HOW THEY WILL BE MITIGATED

- 8.1 The risks associated with failing to report, investigate and deal with serious concerns in a manner which protects the whistleblower include: claims against the Council, poor morale, waste of resources, service failure and damage to reputation.

9 TIMETABLE FOR IMPLEMENTATION

Subject to any amendments recommended.

Report Author: Deanna Harris, Head of Audit Services 01784 446207

Background Papers:
There are none.

BOROUGH OF SPELTHORNE

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 Sexual Harassment Policy to enable you to raise any concerns about sexual harassment. 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
 - sexual or physical abuse of clients, or
 - other unethical conduct.
- 2.3 Any serious concerns that you have about any aspect of service provision or the conduct of officers or members 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.

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	Roberto Tambini	(01784 446250)
Chief Finance Officer	Terry Collier	(01784 446296)
Monitoring Officer	Michael Graham	(01784 446227)

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

The Chairman or Vice Chairman of the Council's Standards Committee - The Council has a Standards Committee, the purpose of which is to help the Council operate to the highest ethical standards. Both the chairman and vice chairmen are non councillors and can be approached for advice. Their details can be obtained from Committee Services on 01784 446240/446276 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 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 Bureau
 - 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.

Worried that something may be going seriously wrong in your

Workplace?

Not sure who you can talk to?

Under our Confidential Reporting Code (whistleblowing policy), if you do not feel able to raise it with your line manager, you can talk in confidence to a number of officers. Please refer to the Confidential Reporting Code on our website:

www.spelthorne.gov.uk/constitution/confidentialreporting.pdf

You can also obtain advice/guidance on how to pursue matter of concern from:

Chief Executive **Roberto Tambini** on 01784 446250

Chief Finance Officer **Terry Collier** on 01784 446296

Monitoring Officer **Michael Graham** on 01784 446227

Head of Audit Partnership **Deanna Harris** 01784 446207

You can also call the charity - Public Concern at Work for independent and confidential advice.
Tel: 0207 404 6609

WORK PROGRAMME 2011 – 2012

AUDIT COMMITTEE - 8 DECEMBER 2011

Resolution Required

1. Work Programme

- 1.1 This report covers the Work Programme for the 2011/12 municipal year.
- 1.2 The Committee’s terms of reference are set out at the front of the agenda.

2. Current Work Programme

- 2.1 The remaining meeting of this Committee has been scheduled in the Council’s Diary for 2011 -12 on 29 March 2012.
- 2.2 Any topics identified during consideration of the business at this meeting, will need to be included in the Work Programme.
- 2.3 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.
- 2.4 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.
- 2.5 The Committee may require a Head of Service to attend the next meeting of the Committee, where the Head of Audit Services has identified a risk but the target for controls to be put in place remains outstanding. This may be agreed either at the request of the Committee or if the matter is considered urgent, by the Chairman in consultation with the Chief Finance Officer.
- 2.6 Details of the currently identified items in the Work Programme are as follows:

29 March 2012		
External Auditors Report	External Audit	Report
Corporate Risk Management	Assistant Chief Executive	Review
Corporate Risk Register <i>(provisional)</i>	Head of Service - as appropriate	Updates on target dates missed
Annual Audit Services Plan	Head of Audit Partnership	Report
Committee’s Work programme	Head of Audit Services/ Chief Finance Officer /Audit Committee	Report

3. Resolution

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

Contact: Deanna Harris, Head of Audit Services (01784) 446207

Report Author: Gillian Hobbs, Committee Manager (01784) 444243

