

Please reply to:

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Date: 28 November 2012

Notice of meeting

Audit Committee

Date: Thursday 6 December 2012

Time: 7.30 pm

Place: Goddard Room, Council Offices, Knowle Green, Staines

To the members of the Audit Committee

Councillors:

D. Gohil (Chairman)

Mrs S. Webb (Vice-Chairman)

C.M. Frazer

Mrs M.J. Madams

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.

AGENDA

1. Apologies

To receive any apologies for non-attendance.

2. Minutes

To confirm the minutes of the meeting held on 20 September 2012. (copy attached) 1 - 3

3. Disclosures of Interest

To receive any disclosures of interest from members in accordance with the Council's Code of Conduct for members.

4. External Audit - Annual Audit Letter 2011/12

To note the external auditor's Annual Audit Letter 2011/12. (copy attached) 4 - 10

5. Corporate Risk Management

To receive a report from the Assistant Chief Executive. (copy attached) 11 - 26

6. Audit Services - Interim Report

To receive a report from the Head of Audit Partnership. (copy attached) 27 - 34

7. Confidential Reporting Code (Whistleblowing Policy)

To receive a report from the Head of Audit Partnership. (copy attached) 35 - 44

8. Committee Work Programme 2012-13

The Committee is requested to consider and approve its work programme for the remainder of the Municipal Year 2012/13. (copy attached) 45

**Minutes of the Audit Committee
20 September 2012**

Present:

Councillor D. Gohil (Chairman)

Councillors:

Mrs M.J. Madams A.C. Patterson

Apologies: Councillors C. M. Frazer, C.V. Strong and Mrs S. Webb

260/12 Minutes

The minutes of the meeting held on 24 May 2012 were approved as a correct record

261/12 Disclosures of Interest

There were none.

262/12 External Audit Report on 2011/12 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.

Richard Irish and Tamas Wood, on behalf of KPMG presented the report and responded to Members' questions. Mr Irish advised that subject to all outstanding queries being resolved to their satisfaction, KPMG anticipated issuing an unqualified audit opinion and Value for Money conclusion by 30 September 2012.

He thanked the internal audit team for the work it carried out on their behalf and on which they placed a great deal of reliance.

RESOLVED that:

1. the External Auditor's 2011/12 audit report be noted;
2. the Chief Finance Officer sign the letter of representation (as attached to appendix 5 of the Auditors' report);

AUDIT COMMITTEE, 20 SEPTEMBER 2012 - Continued

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 Appendices 1 and 2 of the Auditors' report be noted.

263/12 Corporate Risk Management

The Internal Audit Manager 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 progress in a number of areas, including the issue of staff morale. The Committee was pleased to note that an independent survey of staff was being arranged.

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

264/12 Audit Services Annual Report

The Head of Audit Services presented her report which summarised the work undertaken by Audit Services during the period April 2011 to March 2012 and provided an assurance opinion that the Council's internal control environment was adequate and effective. Any shortcomings identified with a significant level of risk attached had been transferred onto the Corporate Risk Register for quarterly Monitoring by the Management Team and Audit Committee.

RESOLVED that the Audit Services Annual Report for the period April 2011 to March 2012, and the overall opinion on the Council's systems of internal control, be noted and approved.

265/12 Annual Governance Statement

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2011-12. 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.

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

266/12 Report on the Effectiveness of the System of Internal Audit

The Head of Audit Services presented her report which reviewed the system of internal audit and was a statutory requirement of the Accounts and Audit Regulations. The nature of such a review was not specified externally but the

AUDIT COMMITTEE, 20 SEPTEMBER 2012 - Continued

following issues had been considered to provide assurance that the Council maintained an adequate and 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 and assisting the organisation in achieving its objectives; achievements 2011/12 and the Improvement Plan 2012/13.

RESOLVED that the report on the effectiveness of the system of internal audit be noted.

267/12 Anti Fraud, Bribery and Corruption Strategy

The Head of Audit Services presented the report on the annual review of the Anti Fraud, Bribery and Corruption Strategy. She highlighted the steps taken in the past year to improve fraud awareness for all staff and members through the circulation of fraud awareness leaflets and the provision of training.

RESOLVED to note the review of the Anti Fraud, Bribery and Corruption Strategy.

268/12 Committee Work Programme 2012-13

The Committee considered its Work Programme for the 2012/2013 Municipal year.

RESOLVED that the Committee Work Programme for the 2012/2013 Municipal year, be approved.

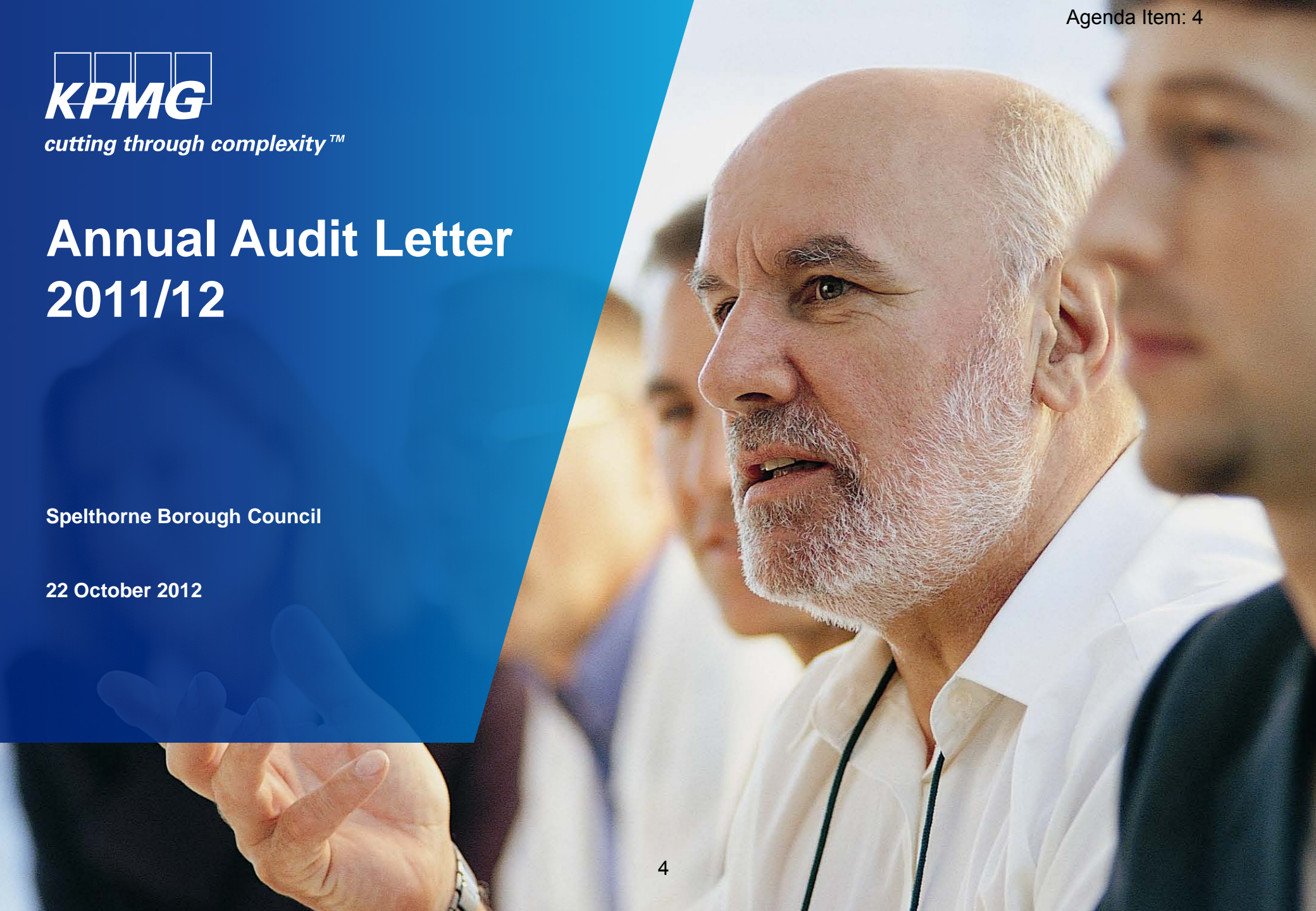


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Annual Audit Letter 2011/12

Spelthorne Borough Council

22 October 2012





Contents

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Report sections

- Headlines

Appendices

1. Summary of reports issued
2. Audit fees

Page

2

4

5

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 Tamas Wood, 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 2011/12 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 2011/12 financial statements and the 2011/12 VFM conclusion.

VFM conclusion	<p>We issued an unqualified value for money ('VFM') conclusion for 2011/12 on 28 September 2012.</p> <p>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>Our work identified that:</p> <ul style="list-style-type: none"> ■ The Authority demonstrated appropriate financial planning and control in difficult economic circumstances and changes in its Member structure in 2011/12; ■ The Authority is seeking to further develop shared service arrangements with other local authorities and has progressed its planning and modelling of the benefits and business rate reforms, set to take effect from 2013 onwards; and ■ The Authority's executive management team identified that they are aware of the key risks facing the Authority and its plans to manage and address these.
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 28 September 2012. 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>The audit process has been completed within the planned timescales.</p> <p>The significant findings arising from the financial statements audit were:</p> <ul style="list-style-type: none"> ■ Corrections to the classification and valuation of three finance leases as investment properties; and ■ Corrections to the classification of the comprehensive income and expenditure for the year in the Movement in Reserves Statement. <p>We raised 7 recommendations from our work, which management has agreed to implement.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>



Section one Headlines (continued)

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

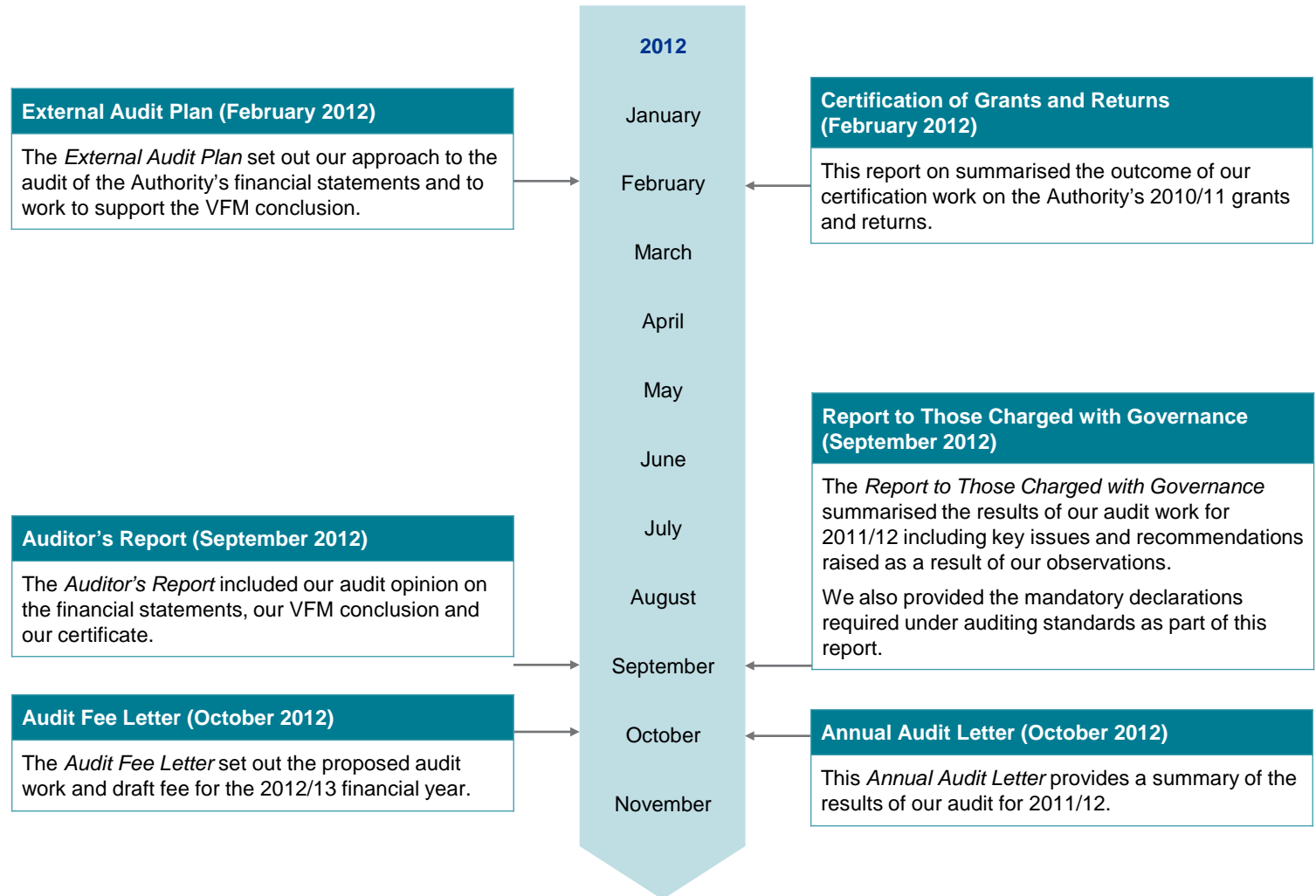
Whole of Government Accounts	We reviewed the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. As the Authority falls below the National Audit Office's full audit threshold, we were only required to report that the Authority's pack was consistent with the audited financial statements for Property, Plant and Equipment and IAS19 Pension disclosures only.
High priority recommendations	We raised no high priority recommendations as a result of our 2011/12 work.
Certificate	We issued our certificate on 28 September 2012. The certificate confirms that we have concluded the audit for 2011/12 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 2011/12 was £110,868, excluding VAT. This is £5,418 greater than the fee communicated in our 2011-12 Audit Plan in February 2012 due to additional costs incurred whilst considering the finance leases issue. Further detail is contained in Appendix 2.



Appendices

Appendix 1: Summary of reports issued

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





Appendices

Appendix 2: Audit fees

This appendix provides information on our final fees for 2011/12.

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 2011/12 planned external audit fee.

External audit

Our final fee for the 2011/12 audit was £110,868. This is an overall reduction of 3.5 percent on the comparative total fee for 2010/11 of £114,915.

The final fee compares to a planned fee of £105,450. The reasons for this variance are:

- an increased fee for the audit of the financial statements reflecting additional costs incurred whilst considering the finance leases issue.

Certification of grants and returns

Our grants work is substantially complete and the fee will be confirmed through our report on the *Certification of Grants and Returns 2011/12* which we are due to issue in January 2013.



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Audit Committee**6 December 2012**

Title	Corporate Risk Management		
Purpose	Recommendation required		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Punita Talwar, Audit Manager		
Summary	<p>This report provides the Audit Committee with an opportunity to review the Corporate Risk Register and note outstanding actions.</p> <p>There are two key issues highlighted in this report:</p> <ul style="list-style-type: none"> • The Corporate Risk Register has been reviewed and updated • Progress on outstanding actions has been documented on the register 		
Financial Implications	Staff time to implement proposed actions (contained within existing budgets).		
Corporate Priority	All three priorities		
Recommendations	The Audit Committee is asked to note and accept the contents of the Corporate Risk Register and recommend it to Cabinet for approval.		

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 consider new risks added.

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:

- **Service plans** will need to be updated to reflect new Council priorities (currently under review) and the new financial year (2013/14).
- **The new performance management** review system needs to be fully implemented.
- **Project management** - The Head of Customer Services has prepared a manual setting out Spelthorne's approach to Project Management. This will ensure projects are supported by a robust business case, project risks effectively managed and accountability improved. A Corporate Project Manager has recently been appointed on a temporary contract to provide support on some asset related projects, as well as general guidance to project managers and oversee the monitoring of flagship projects. Resources available to deliver projects are limited and this will need to be managed in future.
- **IT Security** – An IT Security penetration test and health check are currently being arranged. Preparation is underway for the annual Government Code of Connection (COCO) assessment in December.
- A **Business Continuity** policy has been developed and approved. Revised terms of reference are in place for the Business Continuity

forum, due to meet shortly. A revised template has been drafted for departmental plans.

- Various exercises for **emergency planning** are underway or due to take place shortly.
- The risk assessment for **contaminated land** has been reviewed, and the contaminated land strategy will be updated once the critical review is finalised.
- The Leisure Services Manager is addressing a number of areas relating to the **Safeguarding** function, in order to improve controls further.
- **Contract management training** was held in September, attended by some services. Procurement guidance is being updated, to incorporate key learning points from recent training.
- The Joint Heads of Housing and Independent Living continue to update MAT and Members periodically on forthcoming **welfare reforms** and implications for Services and the community.

2.3 The issue of **staff morale** has been highlighted at prior reviews. A further briefing paper is due to be issued to Audit Committee Members on progress made. A Spelthorne staff survey will be carried out in 2013 following the setting up of a working group. Continuation of good management practices has been recognised and highlighted. A number of steps have already been implemented to maintain and enhance staff morale, including Leader/Team meetings, Head of Corporate Governance/Team meetings, finalising office moves, providing positive news items, Member training, and clarity/review of corporate priorities.

2.4 A new risk has been added to the register relating to the possibility of a **security incident** at the council offices. See part 5 of the risk register which sets out the potential impact of this risk. A security strategy is in place and has been publicised to all staff.

3. Options analysis and proposal

Either:

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

Or:

- ii. To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.
- iii. Conclude to propose option one for the reasons indicated.

4. Financial implications

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

5. Other considerations

- 5.1 The Corporate Risk Register covers a wide range of risk categories such as technology/infrastructure/operations, financial, environmental, legal, contractual, economic/social, and personnel. Proposals set out in the Corporate Risk Register should improve overall risk management arrangements across the Authority, which supports all corporate priorities.
- 5.2 There are potential legal consequences should the risks identified not be addressed adequately. The purpose of the Risk Register is in part to avoid such consequences.

6. Risks and how they will be mitigated

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

7. Timetable for implementation

- 7.1 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.

Background papers: There are none.

Appendices: Appendix 1 – Corporate Risk Register

Appendix 1

**SPELTHORNE BOROUGH COUNCIL
CORPORATE RISK REGISTER – 2012/13 QUARTER 3**

The register summarises the high level risks faced by the Council in relation to achieving the objectives and priorities as set out 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 are being updated.

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

Risk/ Consequences	Level Of Risk	Control / Action	Owner- ship	Target Date	Progress
1. Failure to align service objectives to corporate aims / Failure to deliver services effectively due to poor service planning	3	<p>Controls: Service plans are derived from the Council's Corporate Plan and statutory/other responsibilities relating to the service. Plans incorporate issues relating to resources, risks, workforce, significant projects and any relevant performance indicators.</p> <p>Actions: <i>All Service Plans require updating to reflect:</i></p> <ul style="list-style-type: none"> • <i>New Corporate Priorities</i> • <i>The new financial year including revised budgets, projects/systems/legislation/risks in 2013/14</i> 	Service Heads Service Heads	Feb 2013	Ongoing. November 2012: Whilst updates have been made to most Service Plans for 2012/13, they will shortly need further amendment to reflect new priorities (due Feb 2013) and arrangements for the new financial year.
2. Failure to manage corporate and service performance (Performance Management)	3	<p>Controls: The Corporate Plan sets out targets for the authority which will be monitored by Members and Management Team. Service performance (standard and targets) will be monitored by Management Team. Individual performance is monitored through the appraisal process. Flagship project performance will be reported to Management Team and Members.</p> <p>Actions: <i>A new Performance Review template has been developed for each service and needs to be fully implemented.</i></p>	MAT MAT	Jan 2013	Ongoing.

Risk/ Consequences	Level Of Risk	Control / Action	Owner- ship	Target Date	Progress
<p>3. Failure of projects due to poor project management arrangements.</p> <p>Lack of resource and expertise to deliver and coordinate asset related/other projects.</p>	3	<p>Controls: Project management principles and methodology recently re-launched by the Head of Customer Services. A Corporate Project Manager has recently been appointed, whose role will be to oversee the monitoring of the flagship projects, provide support and guidance to project managers, provide support for some asset related projects, as well as delivering some of the Council's key flagship projects.</p> <p>Actions: <i>Management Team to review corporate reporting and management of projects; allocation of responsibilities and resources; assessment of skill set; corporate guidance; business case preparation and post implementation reviews.</i> <i>Asset Management is a corporate priority and many of the Council's projects are asset related – this area will need to be kept under review.</i></p>	<p>MAT/ Head of CS *</p> <p>MAT</p>	<p>Jan 2013</p>	<p>Ongoing: November 2012:</p> <p>The Head of Customer Services has set out Spelthorne's approach to Project Management. The project register has been reviewed with projects classified by category. The Corporate Project team are progressing a number of areas. Training is being rolled out and monitoring of Flagship projects will commence shortly. Some additional resources have been allocated to assist with asset related projects.</p>
<p>4i. Security breaches, system failure, loss of data</p>	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 satisfactorily conducted June 2012. Information Governance Group developing action plan.</p>	<p>ACX (TC)/ Head of ICT *</p> <p>Head of CG</p>		<p>Ongoing</p>
<p>4ii. Failure to meet the minimum</p>	3	<p>Controls: Review group assess compliance with the Code of Connection (COCO)</p>	<p>ACX (TC)/ Head of</p>		<p>Ongoing</p>

Risk/ Consequences	Level Of Risk	Control / Action	Owner- ship	Target Date	Progress
security requirements of the Government Code of Connection resulting in termination of connection to any other government sites/data.		<p>Successfully passed security requirements of the Government Code of Connection (COCO) in December 2011, and preparation underway for the annual COCO assessment (Dec 2012).</p> <p>New firewall installed.</p> <p>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), and locking down universal serial bus (USB) ports. Steria have completed dual factor authentication on all laptops and are in the process of replacing old laptops. Penetration testing conducted annually and currently being arranged, as well as a health check. New arrangements have been implemented for voluntary sector access.</p>	ICT *		
<p>5. Disaster in Council buildings / Lack of continuity planning within services and reliance on individuals/ systems.</p> <p>Security incident at the council offices resulting in disruption to service</p>	3	<p>Controls: A Business Continuity Policy (high level corporate approach) has been approved by Management Team. A corporate plan should describe the corporate management of a disruptive incident, and this will be developed through the Business Continuity Forum. The Business Continuity Forum oversees progress of business continuity planning.</p> <p>All services should have up to date and tested Business Continuity Plans. New service level templates will have pre-written table top exercises allowing services to exercise their plans independently, with a corporate exercise planned for the corporate recovery team in the first quarter of 2013.</p> <p>The Emergency Planning & Resilience Co-ordinator manages the Business Continuity Forum and work stream, reporting to the Assistant Chief Executive (Liz Borthwick) every 2 months and Management Team quarterly on progress. Security strategy in place and publicised to all staff.</p> <p>Action: <i>The Authority must ensure the plans are fully communicated, tested and updated regularly.</i></p>	Service Heads/ MAT / EPO *		<p>Ongoing. November 2012:</p> <p>New Terms of Reference for the Business Continuity Forum approved by Management Team (6 Nov 2012). New forum meeting 28 November 2012. New template for departmental plans designed and out for consultation. ICT table top exercise took place in October 2012, with learning points feeding into the Business Continuity Forum.</p>

Risk/ Consequences	Level Of Risk	Control / Action	Owner- ship	Target Date	Progress
6i. Failure in service delivery due to over reliance on individuals eg Housing Options, Revenue and Benefit system administrator roles.	3	Controls: Resilience and back up arrangements within Housing Benefits, Revenues and Customer Services, and Housing Options have been considered and addressed.	ACX (TC)/ ACX (LB)/ Joint Heads of H & IL*		Ongoing
6ii. Failure in service delivery due to reduced capacity and increasing demands from the community. Increased risk of delay, errors or stress.		Controls: 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 Responsibilities have been reallocated following the senior staff reductions that took place at the end of 2011.	Service Heads/ MAT		
7. Poor morale and motivation as a result of service pressures, lack of resources, organisational changes, uncertainty about the future,	3	Controls: Change Management, clear communications, formal performance management system being set up, appraisals, one to one's, team meetings, performance clinics, staff meetings, staff workshops to be set up, Member training organised, corporate plan and priorities being reviewed. Action: Management Team to keep under review.	MAT/ Service Heads	Jan 2013	Ongoing. A further briefing paper is due to be issued to Audit Committee Members. A Spelthorne staff survey will be carried out in 2013 following the setting up of a working group.

Risk/ Consequences	Level Of Risk	Control / Action	Owner- ship	Target Date	Progress
financial constraints etc.					
8. Disaster-major in borough, e.g. flooding, resulting in significant strain on council services (eg homelessness and 24 hour emergency response required).	4	Controls: Emergency Plan Membership and involvement in Local Resilience Forum Regular testing of Emergency Assistance Centre plan Yearly Borough Emergency Centre Plans Incident Management Team training and exercising	ACX (LB)/ Head of S & L/EPO*		Ongoing November 2012 Heathrow Mass evacuation exercise November 2012. Community Resilience Event (Flooding) November 2012.
9. Failure to deliver sustainable community strategy / deliver climate change strategy: -Contravening legislation (Climate Change Act	3	Controls: Sustainable Development strategy (SDS) and joint Climate change strategy. Action plans prepared assigning tasks and targets to named officers, with timescales for delivery. Surrey wide climate change projects being developed through the Surrey Climate Change Partnership (SCCP), to be assigned as and when appropriate. Focus on energy reduction measures. Environmental impact assessments completed. Climate change impact reports will be used to identify key risks.	ACX (LB)/ Head of S & L *		Ongoing

<p>2008) -Poor resilience to climate change by services and community -Services not adequately prepared for climate change, effecting service delivery.</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> <p>Sustainability issues incorporated into the Procurement strategy and training to be provided. Energy policy and Carbon Management plan in development.</p>			
<p>10. Risk of extreme weather conditions (drought, flooding, snow) impacting on grounds maintenance costs, provision of water features, planting and general service delivery</p>	<p>3</p>	<p>Controls:</p> <p>Business Continuity Planning, and periodical testing of plans.</p> <p>Consideration is being given to installing water bore holes in each of the areas (Fordbridge already has a well, and costings requested for the walled garden). However, the mitigation measures will not help the source of the problem (lack of winter rainfall), and there are ethical issues of using underground sources to feed our rivers and streams.</p>	<p>ACX (LB)/ Head of S & L/Head of SS *</p>		<p>Ongoing</p>

<p>11. Uncertainty surrounding the financial /economic/other consequences of contaminated land</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.</p> <p>A separate risk assessment addresses contractual, financial/resources and legal/regulatory risks, and this has been recently reviewed. The Environmental Health team are taking the new government circular into account as they update the contaminated land implementation strategy, which will be completed once the critical review has been carried out. Any new issues/risks which are identified during this process are being addressed.</p>	<p>ACX (LO)*</p>		<p>Ongoing</p>
<p>12. Health and Safety failing resulting in death or serious injuries to staff/public and legal action against the Council</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) and all staff. Contracts let to manage Legionella and asbestos and progress reported to Asset Management Group (AMG) and Management Team as appropriate. Information held on the Council's SHE (Safety Health and Environment) 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. Note recommendations from Insurance review (July 2012) are being considered by Management Team.</p>	<p>MAT/ Service Heads/ Head of AM & OS */EPO*</p>		

<p>13. 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>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>MAT/ Service Heads/ Head of HR*</p>		
<p>14. Failure to comply with statutory duty / adhere to Safeguarding Policy leading to death or injury to child or vulnerable adult, legal action and reputational damage</p> <p>Failure by County to address Spelthorne referrals relating to vulnerable children/adults.</p>	<p>3</p>	<p>Controls: The Council has recently updated its safeguarding policies/ procedures /guidelines (to be re-launched in 2013). Staff and Members have received training. All concerns and referrals made to Surrey County Council should be brought to the attention of a nominated Spelthorne Officer to ensure details are logged. Regular meetings held with Surrey County Council and joint training provided. Audit review undertaken of the safeguarding function. The Leisure Services Manager is currently progressing the following actions:</p> <ul style="list-style-type: none"> • <i>Re-launching safeguarding policies through staff meetings, summary cards, and training.</i> • <i>Reminding staff of the importance of complying with recommended processes when making referrals.</i> • <i>Consulting with the Surrey Safeguarding Children’s Board (SSCB) to assess training requirements for those officers working closely with vulnerable groups.</i> • <i>Consistent use of the central safeguarding register to record all significant concerns and referrals made to Surrey County Council (including the Housing team)</i> 	<p>ACX (LB)/ LSM*</p> <p>ACX (LB)/ LSM*</p>	<p>Jan 2013</p>	<p>Ongoing</p>

		<ul style="list-style-type: none"> • Setting up a summary log /table to record all referrals made/concerns logged with key safeguarding information (to facilitate periodical monitoring). • Ensuring robust training records are held to facilitate periodical monitoring of training needs for all staff, and addressing any training gaps. 			
<p>15i. 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 resulting in Contractors/partners failing to deliver expected outcomes</p>	3	<p>Controls: Contract Standing Orders in place setting out tendering requirements Officer Code of Conduct setting out requirement for declaration of interests Contract guidelines (simplified version of Contract Standing Orders in place with compliance checklist). Legal team provide support on contract management as requested. Contract management training held in September 2012, although this was not attended by all relevant services. Performance measures in place and contractual safeguards</p> <p>Actions: Procurement guidance being updated, to be launched in 2013. E-tendering system to be re-launched in 2013.</p>	<p>Service Heads/ MAT/ CM *</p> <p>Head of CG</p>	<p>Jan 2013</p>	<p>Ongoing. November 2012 Contract management training held in September 2012, although this was not attended by all relevant services</p>
15ii. Poor partnership	2	<p>Review of strategic and internal partnerships undertaken Partnership governance policy in place, and reminders issued</p>	MAT		

governance arrangements		to Service Heads on need to comply. Significant partnerships identified. Overview and scrutiny committee to periodically review partnerships. Insurance arrangements in place			
15iii. Suppliers/contractors go out of business, affecting the completion of contract works/service delivery, and ability to pay business rates.	3	Controls: Financial Services monitor the financial media in relation to larger companies and critical commercial partners that the authority engages with. Action: Impact of new Business Rate arrangements on Council finances is under review.	Service Heads/ MAT/ ACX (TC)* ACX (TC)		Ongoing.
16. Service planning difficulties due to changes in economic and social conditions beyond Council's control	3	Controls: Long term strategic planning Corporate and community plans linked to service plans Corporate priorities reviewed.	MAT		Ongoing
17. Poor return on long term investments /investments insecure in current climate.	3	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 a range of credit ratings and criteria recommended by Arlingclose. Regular monitoring and reporting of investment portfolio and returns achieved.	ACX (TC)*		

18. Increased risk of fraud / theft due to economic climate resulting in financial losses and damage to reputation of authority.	3	<p>Controls: Corporate Policies in place to help create a culture of honesty and ethical behaviour such as Confidential Reporting Code (Whistle blowing), Anti-fraud, Bribery and Corruption Strategy, Code of Conduct including rules relating to gifts and hospitality, and declaration of interest.</p> <p>Staff are reminded about governance policies as part of the annual appraisal process. Fraud awareness training for staff and Members has taken place in 2012. Implications of Bribery Act (July 2010) are being considered (addressed in Fraud Awareness training).</p> <p>Other controls include various policies and procedures such as Financial Regulations and Contract Standing Orders (CSO'S), management checks, segregation of duties, reconciliation processes for financial systems and IT Security measures.</p>	Service Heads/ MAT		Ongoing
19. Pressures on Housing Service as a result of general economic climate and welfare reforms including changes in government policy to restrict housing benefit. Changes to the future administration of Housing Benefit may lead to staff retention issues. Introduction of Council Tax Support scheme	3	<p>Controls: Service Heads/ MAT/Members have been made aware of risks. Internal structures being reviewed. Working groups established to deal with the various changes.</p> <p>Action: <i>Service Heads/MAT to monitor and recommend changes in staffing requirements as appropriate.</i></p> <p>Action: <i>In light of the future transfer of Housing Benefit administration to the Department for Work and Pensions (DWP), the joint Heads of Housing Options and Independent Living to ensure adequate arrangements are in place for staff resilience within the interim period.</i></p>	<p>MAT/ Joint Heads of H & IL*</p> <p>MAT/ Joint Heads of H & IL*</p>	March 2013	Ongoing November 2012: Heads of Service update MAT and Members periodically on forthcoming welfare reforms and implications for Service.

will impact on resources.					
20. Reduction in service delivery and possible loss of internal control as a result of savings required to balance budget	3	<p>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.</p>	MAT/ Service Heads		Ongoing.

***KEY TO OFFICERS**

Head of CS - Head of Customer Services, Linda Norman

Head of CG – Head of Corporate Governance, Michael Graham

Head of ICT – Helen Dunn

ACX (TC) – Terry Collier

Health and Safety Officer – Stuart Mann

ACX (LB) – Liz Borthwick

Head of S & L – Head of Sustainability and Leisure Services, Sandy Muirhead

Head of S & S – Head of Streetscene, Jackie Taylor

ACX (LO) – Lee O’Neil

Head of AM & OS – Head of Asset Management and Office Services, Dave Phillips

Head of HR – Head of Human Resources, Jan Hunt

CM- Contract Managers

Joint Heads of H & IL – Joint Heads of Housing and Independent Living , Deborah Ashman and Karen Sinclair

LSM - Leisure Services Manager, Lisa Stonehouse

EPO – Emergency Planning and Resilience Officer, Nick Moon

Reviewed November 2012

Punita Talwar, Audit Manager, Audit Services.

Audit Committee**6 December 2012**

Title	Audit Services – Interim Report		
Purpose	For Information		
Report of	Head of Audit Services	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Head of Audit Partnership		
Summary	<p>This report sets out:</p> <ul style="list-style-type: none"> • Audit work undertaken during the period April - November 2012 • Other work undertaken by Audit Services 		
Financial Implications	There are no financial implications.		
Corporate Priority	All three priorities		
Recommendations	The Audit Committee is asked to note and approve the Audit Services' Report for the period April 2012 – November 2012.		

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 sets out the work undertaken by Audit Services to fulfil these requirements.

2. Key issues

- 2.1 Audits undertaken / ongoing / finalised during the period April - November 2012 are listed in Appendix 1.

2.2 Other Audit Work

2.3 Partnership Working

- 2.4 The internal audit partnership with Elmbridge continues to deliver efficiencies and ongoing savings of £55k to the two authorities. During the period all audit staff contracts, job descriptions, titles and pay were aligned across the two authorities with a view to developing a 'one team approach'. A new partnership agreement has been finalised and this provides a commitment to the arrangement for a minimum 3 year period. Staff have worked across the authorities on a number of projects and continue to share information.

- 2.5 The Head of Audit Partnership is chairing a new corporate Counter Fraud Board at Elmbridge and a member of the audit partnership team is undertaking professional training in investigations. This expertise and any learning points will be shared across the authorities.

- 2.6 A further contract for Spelthorne auditors to undertake ICT audit work at Woking Council has been negotiated.

2.7 Special Investigations / Counter Fraud

- 2.8 Fraud Awareness training was provided for Members.

- 2.9 Audit Services has been involved in two special investigations which are currently ongoing. Further detail will be provided in due course.

- 2.10 Council Tax/Single Person Discounts – The Head of Audit Partnership has been working with Surrey County Council to organise a county wide contract to identify fraudulent claims. The County intend to fund this work.

- 2.11 Council Tax/Student Exemption Discounts – A review by Audit identified several potentially fraudulent claims which resulted in withdrawal of Council Tax discounts.

- 2.12 Payment testing – A validity check of all major suppliers led to an investigation (referred to in 2.7 above).

- 2.13 IT Loan system – A review by Audit led to the introduction of credit checks prior to the granting of Council loans to employees to reduce the risk of bad debts.

- 2.14 **Advice** has been requested from services and members on many risk and control issues including:

- (a) Various staffing and financial procedural matters.
- (b) Advice to the Assistant Chief Executive (TC) including Council Priorities, Performance Management issues, Corporate Planning, Older Persons

review, Council achievements, insurance matters, housing system, revised credit card procedures.

- (c) Parking
 - (d) Business Continuity and Emergency Planning
 - (e) Various ICT issues
- 2.15 **Audit Committee** – Preparation of reports, Management Team/committee attendance, various meetings, committee follow up action and correspondence.
- 2.16 **Miscellaneous** – Meetings (one-to-ones, appraisals, team, departmental, attendance at MAT, manager’s briefings), audit planning, liaison with external audit, budget monitoring, processing contract payment certificates, Service Planning, performance management, health and safety issues, timesheets, updating audit recommendation database, Business Continuity Planning, contractor recruitment, ICT issues, support to police on an investigation and various other tasks. Auditors attended various courses and seminars.
- 2.17 **Other Work**
- 2.18 In addition to internal audit work, the team undertakes other duties:
- 2.19 **Corporate Project Management** – The Head of Audit Partnership is a member of the Council’s Project Management Board which has developed and implemented new methodology and processes for improved project management.
- 2.20 **Anti-Fraud Bribery and Corruption Strategy / Confidential Reporting Code** – Both policies were reviewed and reported to Audit Committee.
- 2.21 **Partnerships** - The Head of Audit Partnership carried out the role of corporate lead on shared services until July.
- 2.22 **Attendance and advice to Corporate groups** - Corporate Debt, Information Security Risk, ICT Service Improvement, Uniform User, Finance and Revenues, Information Governance and Corporate Risk Management.
- 2.23 **Customer Services**
The team continues to advise management on various aspects of the new service.
- 2.24 **Corporate Governance**
- 2.25 The Head of Audit Partnership has contributed to the review of the Council’s corporate governance arrangements, including updating of all governance matrices.
- 2.26 **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.
- 2.27 A potential risk relating to staff morale was added to the Corporate Risk Register and this subsequently led to a more detailed discussion with the Leader and further advice given to management.
- 2.28 **Deputy Section 151 Officer** – The Head of Audit Partnership is currently responsible for supporting the Council’s Section 151 Officer.

2.29 **Investigations** – The Head of Audit Partnership carried out a review of a staffing matter on behalf of Assistant Chief Executive (LB).

3. Options analysis and proposal

3.1 Not applicable.

4. Financial implications

4.1 There are no financial implications.

5. Other considerations

5.1 Not applicable

6. Risks and how they will be mitigated

6.1 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.

7. Timetable for implementation

7.1 Not applicable

Background papers:

There are none

Appendix 1:

Audits undertaken / ongoing / finalised during the period April – November 2012 are listed below.

Audit	Level of Audit Assurance * (see table below for definitions)
Main Accounting	Some Improvement Needed
Treasury Management	Some Improvement Needed
Cash Collection and Banking	Some Improvement Needed
Debtors	Some Improvement Needed
Creditors	Major Improvement Needed (Management addressed 9/10 recommendations)
Housing Benefits	Some Improvement Needed
Payroll/Human Resources	Some Improvement Needed
Council Tax & NNDR	Some Improvement Needed
ICT	Some Improvement Needed
Asset Register/Capital Accounting	Some Improvement Needed
Information Management	Major Improvement Needed (Management is taking action to address recommendations)
Building Control	Effective
Safeguarding	Major Improvement Needed (See proposed management action in Corporate Risk Report)
Members Allowances	Effective
Asset Management	Ongoing
Vehicles	Ongoing
Market	Ongoing
Waste and Recycling	Ongoing
Customer Services	Ongoing
Grants to Voluntary Organisations	Ongoing
Procurement	Ongoing
Continuous Auditing	
Remote Working	Some issues outstanding from previous audit including post implementation review, future direction report and need to co-ordinate with Asset Manager on office works.
Web development	Effective

Localisation of Business Rates	Management are aware of risks / financial implications of bad debts.
Council Tax Support scheme	<p>The implementation date of April 2013 is tight and will require further input from staff with Benefit expertise.</p> <p>If the local scheme does not reflect the legislative requirements contained within the Council Tax Reduction Scheme (Prescribed Requirements) Regulations, there is a risk that the scheme could be challenged in law and could result in non-collection of this element of the Council Tax.</p> <p>If the local scheme does not take into account the effect of Universal credit changes within its scheme, there is a risk that the authority will lose the DCLG transitional funding that is being offered.</p> <p>There will be implications for the recovery team as it will be necessary to collect many more small debts.</p>
Welfare Reforms	Risks relating to the impact on Housing and Housing Benefit services are significant and have been incorporated in the Corporate Risk Register.
Gravel extraction	Effective - ongoing
Knowle Green heating contract	Effective – subject to further internal adjustments.
Combined Heat and Power (CHP)	Effective - ongoing
Knowle Green Redevelopment	Management will need to ensure the project is sufficiently resourced and managed (See Corporate Risk Report).
Contaminated Land	Effective - ongoing
Human Resource/Payroll – replacement IT system	Delays in implementing new ICT system and achievement of savings. The Head of Human Resources has provided explanations and Management Team have been updated on system development. Concerns also raised about system functionality/speed. Highlight reports to be produced periodically to facilitate project monitoring.
Parking Partnership	The partnership between authorities is not going ahead. Future risks relating to the need to control income and expenditure under the new agency agreement with the County need to be managed.
Sharepoint	Implementation has not progressed significantly. A business case is required for more resourcing for development of the system.

IT contract	Effective - ongoing
Laleham Park	Effective - ongoing
Special Investigation 1	Ongoing
Special Investigation 2	Ongoing
Shopmobility	Audit requested by Assistant Chief Executive acting as trustee / this is not a Council managed service.

*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.

Audit Committee**6 December 2012**

Title	Confidential Reporting Code (Whistleblowing Policy)		
Purpose	Resolution required		
Report of	Head of Audit Services	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Head of Audit Partnership		
Summary	<p>The Confidential Reporting 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 sets out legal protection against reprisals under the Public Interest Disclosure Act. The Code is attached as Appendix 1.</p> <p>The Audit Committee is required to consider whether the Confidential Reporting Code (Whistleblowing Policy) requires any amendment.</p>		
Financial Implications	There are no financial implications.		
Corporate Priority	All three priorities		
Recommendations	The Audit Committee is asked to note the Confidential Reporting Code (Whistleblowing Policy) and to recommend any amendments as necessary.		

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 including 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 an important element of the Council's corporate governance arrangements.

3. Options analysis and proposal

The Audit Committee may:

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

4. Financial implications

- 4.1 Not applicable.

5. Other considerations

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

6. Risks and how they will be mitigated

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. The existence of the Code and associated procedures, mitigates risks.

7. Timetable for implementation

Subject to any amendments recommended

Background papers:

There are none

Appendices:

Appendix 1 – Confidential Reporting Code

Appendix 2 – Leaflet displayed on notice boards

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) |
| Head of Audit Services | Deanna Harris | (01784 446207) |
- 7.6 In addition you could contact any of the following:-
The Chairman or Vice Chairman of the Members' Code of Conduct Committee: the Council has a Members' Code of Conduct Committee, the

purpose of which is to help the Council operate to the highest ethical standards. Both the Chairman and Vice-Chairman are non-councillors and can be approached for advice. Their details can be obtained from Committee Services on 01784 446240/446276 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.

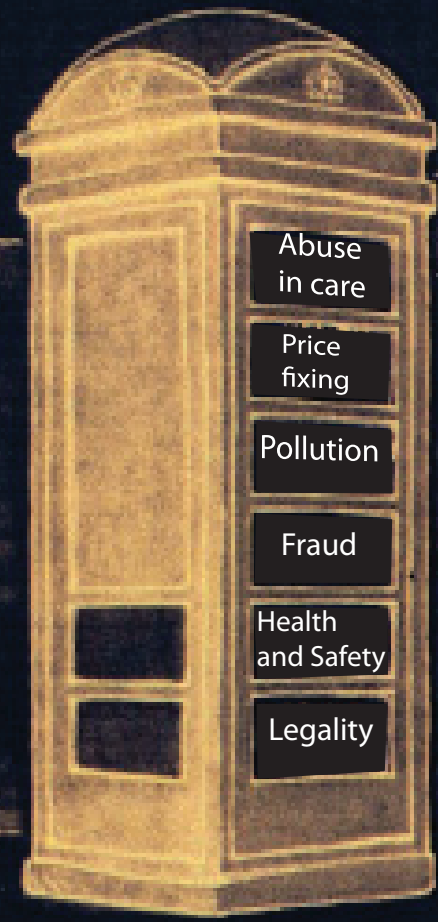
9. THE RESPONSIBLE OFFICER

- 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** 01784446207

<p>You can also call the charity - Public Concern at Work for independent and confidential advice. Tel: 0207 404 6609</p>
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WORK PROGRAMME 2012 – 2013

AUDIT COMMITTEE - 6 DECEMBER 2012

Resolution Required

1. Work Programme

- 1.1 This report covers the Work Programme for the 2012/13 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 21 March 2013.
- 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:

21 March 2013		
External Audit Plan	External Auditor	Report
Corporate Risk Management	Chief Finance Officer	Review
Corporate Risk Register <i>(provisional)</i>	Head of Service - as appropriate	Updates on target dates missed
Annual Audit Services Plan	Head of Audit Services	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

