

Please reply to:

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Date: 4 December 2013

Notice of meeting

Audit Committee

Date: Thursday 12 December 2013

Time: 7.30 pm

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

To the members of the Audit Committee

Councillors:

D. Gohil (Chairman)	M.J. Madams (Vice-Chairman)	
J. Dale	A.C. Patterson	S. Webb
D. Patel	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 19 September 2013 (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. Annual Audit Letter

To receive a report from the External Auditor (copy attached). 4 - 9

5. Audit Services Interim Report

To receive a report from the Head of Audit Services (copy attached). 10 - 15

6. Corporate Risk Management

To receive a report from the Assistant Chief Executive (copy attached). 16 - 29

7. Confidential Reporting Code (Whistleblowing Policy)

To receive a report from the Head of Audit Services (copy attached). 30 - 39

8. Anti-Fraud, Corruption and Bribery Strategy

To receive a report from the Head of Audit Services (copy attached). 40 - 46

9. Committee Work Programme 2013/14

The Committee is requested to consider and approve its work programme for the Municipal Year 2013/14 (copy attached). 47 - 48

**Minutes of the Audit Committee
19 September 2013**

Present:

Councillor D. Gohil (Chairman)

Councillors:

J.A. Dale

A.C. Patterson

C.V. Strong

Apologies: Apologies were received from Councillors A.C. Harman and M.J. Madams.

253/13 Minutes

The minutes of the meeting held on 27 June 2013 were approved as a correct record.

254/13 External Audit Report on 2012/13 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.

Paul Cuttle and Tamas Wood, on behalf of KPMG presented the report and responded to Members' questions. They expected to issue an unqualified audit opinion by 30 September 2013.

They concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

RESOLVED that:

1. The Audit Committee notes the External Auditor's 2012/13 audit report;
2. the Chief Finance Officer sign the letter of representation (as attached to appendix 4 of the Auditors' report);
3. the Chief Finance Officer and Chairman of the Committee sign the statement of accounts and
4. the Audit Committee notes the draft officer responses to the recommendations made in Appendices 1 and 2 of the Auditors' report.

Audit Committee, 19 September 2013 - continued

255/13 Corporate Risk Management

The Head of Audit Services reported that the Corporate Risk Register had undergone its regular quarterly review and update by the Corporate Risk Management Group and Management Team 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. Progress on actions was documented on the register, and a RAG (red, amber, green) rating assigned to each risk category to highlight the level of progress made. The Head of Audit Services highlighted the areas in which progress had been made.

The Committee discussed the issues around implementation of the inspection regime in parks and the availability of in-house expertise in relation to the horticultural contract management. The Committee noted the Head of Streetscene's intention to undertake some horticultural training as a positive step.

The Committee asked that the Head of Streetscene attend the next Audit Committee to give an update on progress with the new inspection regime and the provision of internal horticultural expertise to manage the grounds maintenance contract and tree maintenance works.

RESOLVED that:

1. The Corporate Risk Register be noted and
2. The Head of StreetScene be asked to attend the next Audit Committee to outline the steps taken to mitigate the risks associated with grounds maintenance.

256/13 Effectiveness of the System of Internal Audit

The Head of Audit Services presented her report on the effectiveness of the system of internal audit. She referred to various performance indicators used to assess the system of internal audit including the Service Plan, Audit Plan, professional standards, external audit reliance and achievements in 2012/3. She also referred to the improvement plan for 2013/4 although these would need to be modified in light of staff sickness.

Members thanked the Audit Team for their work and commended the Head of Audit services for a very clear report.

The Committee praised staff for trading in-house expertise with other Surrey authorities and particularly acknowledged the savings and income generated as a result of this trading.

RESOLVED that the Effectiveness of the System of Internal Audit Report be noted.

Audit Committee, 19 September 2013 - continued

257/13 Annual Governance Statement

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2012-14. 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.

258/13 Committee Work Programme

The Committee considered its Work Programme for the 2013-2014 municipal year.

RESOLVED to note the Committee Work Programme 2013-2014 as submitted, with the addition of attendance by the Head of StreetScene at the next Audit Committee on 12 December 2013.

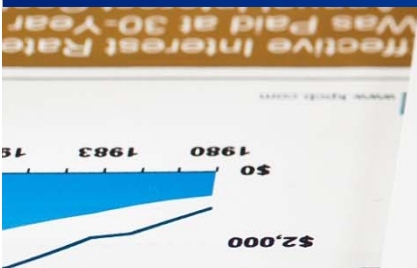


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Annual Audit Letter 2012/13

Spelthorne Borough Council

October 2013





Contents

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Report sections

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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 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, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 03034448330.



Section one Headlines

This report summarises the key findings from our 2012/13 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 2012/13 financial statements and the 2012/13 VFM conclusion.

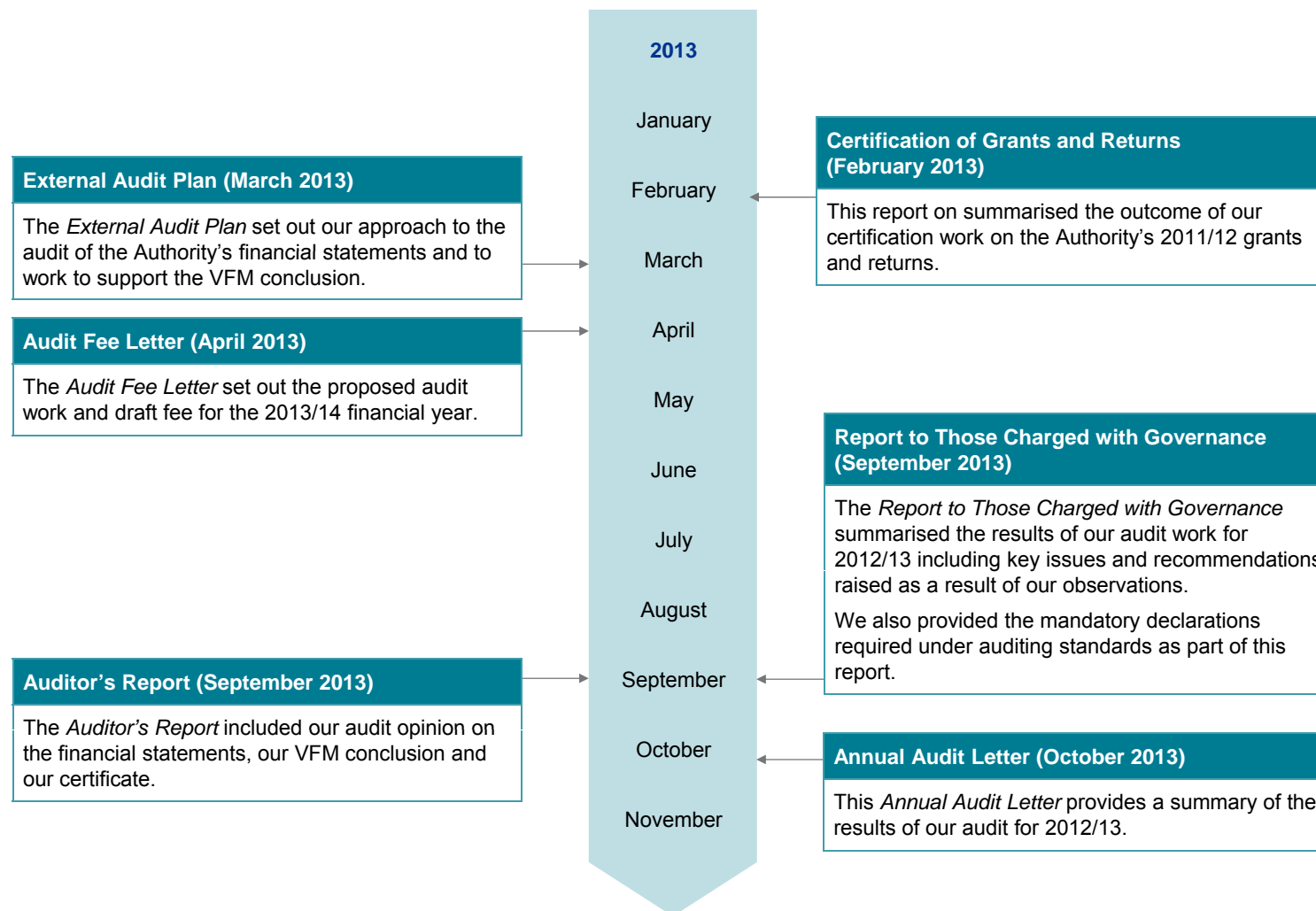
All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 2.

VFM conclusion	<p>We issued an unqualified value for money (VFM) conclusion for 2012/13 on 20 September 2013.</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>
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 20 September 2013. 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>Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales. We did not identify any material misstatements and there were only a small number of trivial adjustments and presentational adjustments required to ensure that the accounts were compliant with the Code.</p> <p>We raised one recommendation 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>
Whole of Government Accounts	<p>The Authority's income/expenditure/assets/liabilities are below the National Audit Office's (NAO) threshold requiring auditors to complete a full review of the consolidation pack submitted to HM Treasury. As auditors of an Authority below the threshold we were required to complete a shortform assurance statement focussing on two areas; pension liabilities and property, plant and equipment (ppe). We reported that the Authority's disclosure in these two areas were consistent with the audited financial statements.</p>
Certificate	<p>We issued our certificate on 20 September 2013.</p> <p>The certificate confirms that we have concluded the audit for 2012/13 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	<p>Our fee for 2012/13 was £63,270, excluding VAT. This is inline with the planned fee set out in our 2012/13 Audit Plan issued in March 2013. Further detail is contained in Appendix 2.</p>



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 2012/13.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2012/13 planned audit fee.

External audit

Our final fee for the 2012/13 audit of Spelthorne Borough Council was £63,270. This is an overall reduction of 40 percent on the comparative total fee for 2011/12 of £105,450. This reflects the significant reductions made nationally by the Audit Commission to its scale fees.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2012/13* which we are due to issue in January 2014.



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Audit Committee**12 December 2013**

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 (Deanna Harris)		
Summary and Key Issues	This report sets out: <ul style="list-style-type: none"> • Audit work undertaken during the period April - November 2013 • Other work undertaken by Audit Services 		
Financial Implications	There are no financial implications.		
Corporate Priority	This item is not in the list of Corporate Priorities		
Recommendations	Audit Committee notes the Interim Audit report.		

1. Background

- 1.1 Internal Audit is a statutory function and it is the responsibility of the Council to 'maintain an adequate and effective system of internal audit...'. This report sets out work undertaken to fulfil this role.
- 1.2 During the period April – November 2013 Internal Audit's work included:
 - Planned audits
 - Continuous review of key Council projects
 - Corporate counter fraud initiatives
 - Support on corporate work and working groups
 - Miscellaneous tasks including revision of the Audit Charter and Audit Manual, introduction of ethical standards for auditors, audit training, Audit Committee support, Service/Performance planning and various corporate duties/meetings.
 - Advice on various issues
 - Three staff investigations
 - Information management/confidential waste review
 - Co-ordination of the Corporate Risk Register

2. Key issues

- 2.1 Attached at [Appendix 1](#) is a summary of Internal Audit work undertaken during the period April – November 2013.
- 2.2 The team continues to work in partnership with Elmbridge and Woking Borough Councils. This work generates income for Spelthorne.
- 2.3 The Internal Audit Manager has been on long term sick leave since August 2013. Some of her workload has been shared between the Head of Audit and Senior Auditor, and auditors from the partnership site have completed several planned audit reviews at Spelthorne. A reduction in coverage of planned audit work has been agreed with the Assistant Chief Executive/Section 151 Officer and external audit. The staffing situation will need to be kept under review.

3. Options analysis and proposal

- 3.1 There are no options

4. Financial implications

- 4.1 There are no financial implications

5. Other considerations

- 5.1 There are no further considerations

6. Risks and how they will be mitigated

- 6.1 Implementation of audit recommendations will reduce risks for the authority. Failure to undertake internal audit work to the required standards would lessen the Council's assurance that effective control systems are in place and could result in an increase in the Council's annual external audit fee.

7. Timetable for implementation

- 7.1 Not applicable

Background papers:

There are none

Appendices:

- 1. List of Audit reviews undertaken**

Appendix 1 – List of Audit Reviews Undertaken

Audit Review	Assurance Level	Comments / Agreed areas for improvement
Debtors	Some Improvement Needed	<ul style="list-style-type: none"> • Management review of credit notes, suppressed accounts and suspense accounts. • Revised recovery procedures/ responsibilities to be documented • Raising invoices in a timely manner.
Creditors	Some Improvement Needed	<ul style="list-style-type: none"> • Reminder to management regarding compliance with invoice authorisation limits • Timely authorisation of new supplier forms prior to payment • Prompt investigation of potential duplicate payments (data matches highlighted by the Audit Commission).
Housing Benefits	Some Improvement Needed	<ul style="list-style-type: none"> • Updating of procedure notes and staff training relating to reconciliation processes, debt management / recovery of overpayments arrangements, • Updating of health and safety policies, and business continuity arrangements.
Payroll/Human Resources	Some Improvement Needed	<ul style="list-style-type: none"> • Whilst segregation of duties is difficult to achieve in a small team, the potential risks associated with the Payroll Officers both having system administrator access have been highlighted. • Refresher data protection training is to be arranged for staff. • Evidence to be obtained of Disaster Recovery testing undertaken by the host authority (Tandridge Council). Management are considering adequacy of business continuity arrangements.
ICT	Some Improvement Needed	<ul style="list-style-type: none"> • Management to audit council owned laptops • Updated policy /guidance required for systems administrators.
Asset Register/Capital Accounting	Some Improvement Needed	<ul style="list-style-type: none"> • Management to set up schedule in advance for revaluation of assets • ICT to complete asset register and send to Finance twice a year • Physical verification/reconciliation of all assets to be evidenced and dated on asset register.

Procurement	N/A – significant risks arising from preliminary audit work transferred to Corporate Risk Register.	The following issues have been raised in the Corporate Risk Register: <ul style="list-style-type: none"> Procurement, contract management and asset management expertise is limited across the authority. (This is particularly relevant to the Grounds Maintenance contract and some asset related contracts). Management Team has considered expertise and resources in these areas and agreed measures to strengthen arrangements. Periodical reminders to be issued to all Services about the need to comply with Spelthorne's procurement procedures and Contract Standing Orders when appointing contractors.
Grounds Maintenance	Some Improvement Needed	Management was advised to: <ul style="list-style-type: none"> Consider developing horticultural expertise to assist with the management of the Grounds Maintenance contract. Improve the control of contractual variations. Develop documentation of guidance for contract management. Finalise leases with the contractor.
Vehicles	Some Improvement Needed	<ul style="list-style-type: none"> Contract arrangements for the repair of non leased vehicles are to be reported in accordance with Contract Standing Orders. The review period recommended by the Health and Safety Officer for driver licenses is to be implemented.
Customer Services	Ongoing	
Licensing	Effective	
Housing Options	N/A	Follow up of previous recommendations
Supporting Families	N/A	Review of documentation requested by management
Continuous Auditing	CRM (Customer Relationship Management system), Town Centre Developments, Ashford car park, Stanwell, Human Resources/Payroll system, Airport Parking, Knowle Green heating, Welfare Reforms, Laleham Park – ongoing review of risks and provision of advice	
Counter fraud activities	Member of the Corporate Fraud Working Group considering the management of fraud risks and the implementation of the Single Fraud Investigation Service. Joint work with Head of Housing and Independent Living and A2D to consider measures to tackle housing tenancy fraud. Circulation of national fraud intelligence to relevant officers.	
Corporate work and	Corporate Debt, Information Security Risk, ICT Service Improvement, Uniform User, Finance and Revenues,	

working groups	Information Governance and Corporate Risk Management.
Advice/Misc	Mayoral, remote working, insurance matters, customer services, Business Continuity, Staffing reports/matters, Management Team Reports assistance to external audit, thefts of council mobile phone / from offices and various other matters
Corporate Risk Management	See separate Corporate Risk report. Audit provides advice to the Corporate Risk Management Group and co-ordinates the Council's Corporate Risk Register
Information Management/ confidential waste	Internal Audit review of confidential waste disposal arrangements and attendance/support to Information Management Group
Non audit	Internal Audit has assisted in 3 staff investigations on behalf of management.
ICT Audit Working	Sale of ICT audit expertise

Audit Committee

12 December 2013



Title	Corporate Risk Management		
Purpose	For Information		
Report of	Assistant Chief Executive	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Deanna Harris Head of Audit Partnership		
Summary	<p>This report provides Management Team (MAT) and 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 and a RAG (Red/Amber/Green) status has been assigned to each category to indicate whether actions are outstanding, partially actioned or complete. 		
Financial Implications	Staff time to implement proposed actions (contained within existing budgets).		
Corporate Priority	This item is not in the list of Corporate Priorities		
Recommendations	That the Committee notes the report.		

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, businesses and visitors. The nature of these services presents a significant potential for loss (both financial and otherwise), disruption, damage and injury.

Although some risks can never be fully eliminated, the adoption of a structured approach ensures risks are identified, managed and monitored.

- 1.2 This report provides the Audit Committee with an opportunity to review the revised Corporate Risk Register and consider progress on actions.

2. Key issues

- 2.1 The Corporate Risk Management Group and Management Team have reviewed the Corporate Risk Register (**Appendix 1**).
- 2.2 Progress has been made in the following areas:
- (a) **Health and Safety** - A new inspection regime for parks and open spaces has been implemented which satisfies insurance requirements.
 - (b) **The Safeguarding Children and Adults at Risk Strategies** were approved by Cabinet in September 2013. A training budget to send casual members of staff on safeguarding training was also approved.
 - (c) **Project management** – A number of projects have been successfully delivered. There are currently 43 ongoing projects. Progress of ongoing projects has been reported to Management Team and Members.
 - (d) The **Information Governance** Group will be developing an action plan to ensure information assets are identified and managed. The Head of Corporate Governance will be reporting further to Management Team to identify further financial resources required in order to progress the matters on the action plan, some of which will help to mitigate the risk of data breaches and associated fines/reputational damage. In the absence of dedicated resources the progress made to date is limited.

- (e) **IT Security** – The majority of the government’s Code of Connection requirements have been met by the Council. All staff accessing systems via the Public Sector Network will need to meet the government’s Baseline Personal Security Standard and measures have been put into place to ensure the Council meets all security requirements and retains access to government systems.
- (f) **Business Continuity** – A business continuity exercise for Knowle Green took place 10 September 2013. Upgrades to telephony systems are planned to increase resilience. A ICT disaster recovery exercise has been prioritised and after this a review of service continuity plans will be completed.
- (g) **Emergency Planning** - Substantial work is underway into Lower Thames Major Incident Flood Plan. Workshops are being held in the Borough to raise awareness of flood warning code changes. A Strategic Flooding exercise planned for first quarter of 2014 and another for November/December 2014 with a large multi agency tactical level live exercise in 2015. A review of the Emergency Assistance Centre plan is underway. A review of vulnerable people plan is also in progress.
- (h) An **Economic Strategy** has been prepared after consultation with various external bodies. Communication of the vision, proposed actions and measures of success will take place in December 2013.
- (i) **Staff Morale** – Low staff morale is linked to risk of lower levels of productivity, commitment, absence and ultimately, loss of expertise. Measures in place to manage morale are set out in the Register. The Council’s Management Team has received a report on the Investors in People findings and is considering a **Workforce Strategy** which might help to address potential risks. The details were reported at the previous committee meeting.

Management and Members will be continue to provide positive feedback to staff and promote ‘good news’ messages of the Council’s achievements.
- (j) The Joint Heads of Housing and Independent Living continue to update Management Team, Service Heads and Members on **welfare reforms** including implications for Services and community.
- (k) **Council Tax Support Scheme** – Collection of relatively small council tax debts from customers who previously paid nothing has resulted in an increase in the number of recovery notices issued and recovery rates for these payers is currently 44% compared to 74% overall. The recovery rate is .5% lower than previous years. Recovery action has been tightened.
- (l) The authority continues to face financial challenges associated with the introduction of Universal Credit including loss of the **Housing Benefit subsidy** and uncertainty over the recovery of Housing Benefit **overpayments** (current debt of £1.59m). The implications of proposals to transfer Housing Benefit fraud investigation resources to a centralised

government team (Single Fraud Investigation Service/SFIS) together with the need to retain resources to investigate Council Tax Support Scheme fraud and other potential fraud areas are currently under consideration.

- (m) **Performance Reviews** have been completed for all services.
- (n) **Procurement** training is being organised for relevant staff.
- (o) **Grounds Maintenance** – Internal Audit reported on the lack of horticultural expertise within Streetscene together with lack of evidence of routine inspection by the Council. The Head of Streetscene will be attending Audit Committee to provide assurance on the measures taken to address potential risks relating to contract management.
- (p) The **Contaminated Land Strategy** will be reviewed in 2014.
- (q) **The Register has been updated to reflect Service delivery and planning** difficulties due to reduction in Revenue Support Grant (projected fall by 80% from £2.5m to £0.5m over the next 5 years), top slicing of a portion of New Homes Bonus grant from 2015-16, along with the need to make significantly increased employer pension contributions. Income generation projects must be successfully delivered and hard decisions will need to be made around prioritisation of budgets and how services are delivered. With diminishing capital reserves the Council will need to carefully prioritise capital projects.

3. Options analysis and proposal

Either:

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

Or:

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

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 – 2013/14 QUARTER 3

This Register summarises significant risks faced by the Council in relation to achieving the objectives and priorities as set out in the Council's corporate plan. It sets out controls in place and identifies any further action needed to mitigate risks. Actions are assigned to appropriate officers with target dates for implementation.

Reviewed November 2013

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

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	1. Health and Safety failing resulting in death or serious injury to staff /public and legal action against the Council	4	Policies and SHE (Safety Health and Environment) system in place. Managers conduct regular risk assessments. Induction training for staff. Health and Safety Officer regularly updates Members and officers. Contracts let to manage Legionella and asbestos. Leased assets covered by health and safety procedure. A new inspection regime for parks and open spaces has been implemented which satisfies insurance requirements.		MAT	Ongoing	
	2. Uncertainty surrounding the financial /economic/other consequences of contaminated land	4	Legal duty to inspect land and prioritise action. A separate risk assessment addresses contractual, financial/resources and legal/regulatory risks, and this is reviewed regularly. Reports have been issued to Management Team and Cabinet outlining financial and other risks.	<i>The Contaminated Land Strategy will be reviewed in 2014.</i>	ACX (LO)*	September 2013 (O) September 2014 (R)	

	<p>3. Disaster- major in borough, e.g. flooding, resulting in significant strain on council services (eg homelessness).</p>	<p>4</p>	<p>Corporate Emergency Plan updated Oct 2013. Membership of Local Resilience Forum (LRF). Regular testing of Emergency Assistance Centre plan. Yearly Borough Emergency Centre Plans. Incident management training and exercising. Updated Emergency Plan approved by Overview and Scrutiny November 2013.</p>	<p><i>Substantial work underway into Lower Thames Major Incident Flood Plan. Workshops being held in Borough to raise awareness of flood warning code changes. Strategic Flooding exercise planned for first quarter of 2014 and another for Nov/Dec 2014 with a large multi agency tactical level live exercise 2015 (agreed by LRF). Review of Emergency Assistance Centre plan underway. Review of Vulnerable people plan underway. Member seminar Jan/Feb 2014.</i></p>	<p>ACX (LB)/RRM (NM)*</p>	<p>Ongoing</p>	
	<p>4. Failure to manage corporate and service performance (Performance Management)</p>	<p>3</p>	<p>The Corporate Plan sets out targets for the authority which should be monitored by Members and Management Team. Service performance should be monitored by Management Team. Planned requirement for quarterly updates on performance from 2013/14, as well as annual performance review. Individual performance should be monitored through the appraisal process. Flagship project performance is reported to Management Team and Members.</p>	<p><i>A new Performance Review template has been developed for each service and performance management process needs to be fully implemented.</i></p>	<p>MAT</p>	<p>March 2013 (O) December 2013 (R)</p>	<p>Partially actioned November 2013: Performance reviews have been completed although several of these are still awaiting comments from Cabinet Members.</p>
	<p>5. Failure to align service objectives to corporate aims / Failure to deliver services effectively due to poor service planning</p>	<p>3</p>	<p>Service plans should be derived from the Council's Corporate Plan and statutory/other responsibilities relating to services. Plans incorporate issues relating to resources, risks, workforce, significant projects and any relevant performance indicators.</p>		<p>Service Heads</p>	<p>Ongoing</p>	<p>An updated Corporate Plan is currently being drafted</p>
	<p>6. Failure of projects due to poor project management arrangements. Lack of resource and expertise to deliver and coordinate</p>	<p>3</p>	<p>Updated project management arrangements in place including process for project initiation, consideration of resources available to deliver, identification of project risks and progress reporting processes. Project management support strengthened with Corporate Project officers in place. Programmed management</p>	<p><i>1. 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</p>	<p>Ongoing</p>	<p>November 2013: The Sustainability and Open Spaces Manager has been seconded to Asset Management for a two year period to help deliver asset related projects. The situation needs to be kept under review.</p>

	asset related/other projects.		improved for Staines upon I names developments and Housing projects. A number of projects have been successfully delivered.	2. <i>There are currently 43 ongoing projects which the Council is committed to. It is important that the Council's Management Team ensures project documentation is completed so that the resource implications can be determined and agreed control processes adhered to.</i>	MAT	Ongoing	
	7. Security / data breaches, resulting in system failure, Information Commissioner fines and reputational damage.	3	Back up and continuity arrangements managed by ICT and tested by Service Heads. ICT security policies in place. Personal Commitment statement required from all staff. ICT security group assess ongoing risks. ICT disaster recovery test satisfactorily conducted June 2012 and will be repeated in January 2014.	<i>Information Governance Group developing action plan to ensure information assets are identified and managed.</i>	Head of CG *	June 2013 (O) March 2014 (R)	November 2013 :The Information Governance Group is developing an action plan to ensure information assets are identified and managed. The Head of Corporate Governance is reporting further to Management Team to identify financial resources required in order to progress the matters on the action plan. In the absence of dedicated resources the progress made to date is limited.
	8. Failure to meet the minimum security requirements of the Government Code of Connection resulting in termination of connection to any other government sites/data.	3	A review group assesses compliance with the Government Code of Connection (COCO). Firewall installed, laptops encrypted, memory sticks banned until they are 'white-listed' as known devices on the network, and universal serial bus (USB) ports locked down. Dual factor authentication on all laptops. Firewall review and external penetration test took place in December. The internal health check has taken place.	<i>The Cabinet Office has increased security requirements due to the implementation of the Public Service Network (PSN) - The Council is now close to meeting all the requirements.</i>	Head of ICT *	Nov 2013 (O)	November 2013 : All staff accessing systems via the PSN will need to meet the government's Baseline Personal Security Standard and measures have been put into place to ensure access to government systems is permitted.
	9. Loss or disruption to services / Lack of continuity planning / loss of building, equipment, ICT or staff / security incident at the council offices / Poor weather conditions.	3	Business Continuity Policy in place. The Business Continuity Forum oversees progress of business continuity planning. All Services should have up to date and tested Business Continuity Plans (see actions). Business Impact Assessments are complete. These identify priority services, resources required for their continuation and time frame. Emergency protocols for loss of building access/loss of power/loss of ICT are being developed. An emergency messaging system for staff has been rolled out. Live loss and denial of access exercise for Knowle Green took place 10 Sept 2013.	<i>Planned upgrades to telephony to increase resilience. ICT disaster recovery exercise is next priority - unable to start service continuity plans until complete. A corporate plan should describe the management of a disruptive incident, and this will be developed by the Risk and Resilience Manager supported by the Heads of ICT, Asset Management and Customer Services. It is hoped a full draft plan will be completed by December 2013 including key</i>	Service Heads/MAT/RRM *	Dec 2013 (O)	

				<i>support work such as equipment purchases etc. Lessons learnt from recent business continuity exercise are being considered</i>			
	10. Failure in service delivery due to over reliance on individuals	3	Service Heads/MAT are responsible for ensuring business continuity, including loss of key staff. Critical procedures should be fully documented and staff appropriately trained. Service Heads should review arrangements as part of the service planning process. In some cases resilience may be provided from other local authorities or other organisations.		Service Heads/MAT	Ongoing	
	11. Failure in service delivery due to reduced capacity and increasing demands from the community. Increased risk of delay, errors or stress.	3	Short term reductions in capacity due to increasing demand or absence of staff are accommodated by prioritisation and reallocating work amongst staff. Longer term impacts and changes to demand may be more difficult to address. Service review may be required 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 new ways of working. The recent strengthening of project management support is an example.	<i>Members and Management Team will need to keep under review, including consideration of the impact of decisions and any statutory obligations on service/project delivery. Officers will need to continue to consider mitigating actions, including reallocating resources to priority areas where possible.</i>	Service Heads/MAT	Ongoing	
	12. Low morale as a result of service demand, lack of staff & financial resources, organisational changes, future uncertainty etc. This increases the risk of losing expertise and impacting on the achievement of the Council's objectives.	3	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, corporate plan and priorities reviewed, Investors in People assessment. A peer review is taking place January 2014.	<i>1: Management Team to keep under review.</i>	MAT	Nov 2013 (O) Jan 2014 (R)	Partially actioned: November 2013 Management Team will consider producing Workforce Strategy which would address recruitment and retention, rewards, training and development and performance management arrangements. Management and Members are promoting 'good news' stories including the ongoing provision of day to day services with limited resources.
<i>2: Consideration to be given a staff survey</i>				MAT/Head of HR *	May 2013 (O) Jan 2014 (R)	Points arising from the Investors in People (IIP) assessment report have been considered by Management Team	
	13. Failure to obtain value for money (vfm) / lack of transparency in awarding contracts. Contractual disputes and claims through poor spec	3	Contract Standing Orders set out tendering requirements. Officer Code of Conduct set out requirement for declaration of interests. Contract guidelines in place with compliance checklist. Legal team provide support on contract management as requested	<i>1: Procurement training to be provided on specification writing and evaluation methods.</i>	HEAD OF CG*	Oct 2013 (O) March 2014 (R)	Legal Services are currently organising training for relevant staff

	<p>through poor specs. Weak contract management resulting in Contractors/partners failing to deliver expected outcomes. Reputational damage and challenge by other companies. Financial loss/poor vfm as a result of poor contract management</p>		<p>as requested. Contract management training held in September 2012, although this was not attended by all relevant services. Legal Services have updated managers in July 2013. Performance measures and contractual safeguards in place Development of the e-procurement system continues and further contracts continue to be sourced with this solution which offers significant time savings and efficiencies for staff in Legal</p>	<p><i>2: Procurement, contract management and asset management expertise is limited across the authority.</i></p>	<p>MAT</p>	<p>Ongoing</p>	<p>Management Team has considered expertise and resources in these areas. Additional resource has been allocated to Asset Management. The Corporate Risk Management Group will continue to monitor.</p>
	<p><i>3: The new Surrey County Council parking agreement will be closely monitored by Financial Services as the authority will now bear the cost of any deficits whereas any surplus will be shared.</i></p>	<p>ACX (TC)*</p>	<p>Ongoing</p>				

	<p>14. Pressures on Housing Service as a result of economic climate and welfare reforms including changes in government policy to restrict housing benefit. Introduction of Universal Credit may lead to staff retention issues. Loss of Housing Benefit subsidy and uncertainty over recovery of outstanding debt.</p> <p>Introduction of Council Tax Support scheme will impact on resources.</p>	<p>3</p>	<p>Service Heads/ MAT/Members are aware of risks. Working groups established to deal with the various changes. The authority faces some challenges in managing the loss of £500k per annum in subsidy relating to recovery of Housing Benefit overpayments which will be fully realised once the roll out of Universal Credit is completed in 2017/18. The first year's impact is reflected in the 2013/14 budget and in medium term projections for future years. There is also uncertainty over recovery of the £1.5m of outstanding Housing Benefit overpayment debt which is currently in the Council's accounts. Cabinet will receive an update on Welfare Reforms shortly. This includes a suggested approach to the use of discretionary housing payments. Officers and A2D have been working with families affected by the benefit cap.</p> <p>The new council tax support scheme took effect from April 2013 and has generated a number of small council tax debts, which are difficult and time consuming to recover, impacting on resources.</p>		<p>Joint Heads of H & IL *</p>	<p>Ongoing</p>	
					<p>HOCS *</p>	<p>Ongoing</p>	<p>Recovery on Council Tax Support cases is 44% compared to 74% overall. Collection rate is down .5% and recovery notices up by 30%. Recovery arrangements have been tightened.</p>
	<p>15. Poor partnership governance arrangements</p>	<p>3</p>	<p>Review of strategic and internal partnerships undertaken. Partnership governance policy in place Significant partnerships identified. Overview and scrutiny committee to periodically review partnerships. Insurance arrangements in place</p>		<p>MAT</p>	<p>Ongoing</p>	
	<p>16. Uncertainty over economic growth and supplier failure, impacting on:</p> <ul style="list-style-type: none"> • Delivery of contracts and services • Business Rate income. 	<p>3</p>	<p>Financial Services monitor the financial media in relation to larger companies and critical commercial partners that the authority engages with.</p>	<p><i>Impact of new Business Rate arrangements on Council finances is under ongoing review.</i></p>	<p>ACX (TC) *</p>	<p>Ongoing</p>	<p>Financial assessment has been undertaken and in common with all the Surrey districts Officers are reviewing collection performance for business rates on a monthly basis and providing feedback to Surrey County Council (who receive 10% of the business rates we collect).</p>

			<i>Economic development is a Council priority and growth will impact on business rate income.</i>	ACX (TC) * CS & EDO*	Ongoing	An Economic Development Strategy has been prepared after consultation with various external bodies. Communication of the vision, proposed actions and measures of success will take place in December.
	17. Failure to comply with employment legislation or statutory duty leading to possible compensation (unlimited), damage to reputation, Legal costs and significant officer time.	3	Human Resources (HR) guidance on legislation and training to ensure compliance. 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 Equality and Diversity working group and training provided to all staff.	MAT/Service Heads/Head of HR*	Ongoing	
	18. Failure to comply with statutory duty / adhere to Safeguarding Policy leading to death or injury to child or vulnerable adult, legal action and reputational damage. Failure by County to address Spelthorne referrals relating to vulnerable children/adults.	3	The Council has recently updated its safeguarding policies and procedures. Details will be reported to Members in September. Staff and Members have received training. All referrals to Surrey County Council should be reported to a nominated Spelthorne Officer. Regular meetings held with Surrey County Council and consultation with the Surrey Safeguarding Children's Board (SSCB). SSCB carry out a Section 11 audit annually. The Children's Safeguarding and Adult at Risk Strategies were approved by Cabinet October 2013.	ACX (LB)/LSM*	Ongoing	
	19. Service delivery and planning difficulties due to reduction in Revenue Support Grant (projected fall by 80% from £2.5m to £0.5m over the next 5 years), top slicing of a portion of New Homes Bonus grant from 2015-16, along with the need to make significantly increased employer pension contributions.	3	Long term strategic/financial planning. Corporate Plan / priorities reviewed. Member engagement	<i>Income generation projects must be successfully delivered and hard decisions will need to be made around prioritisation of budgets and how services are delivered. With diminishing capital reserves the Council will need to carefully prioritise capital projects</i>	MAT	Ongoing




	<p>20. Poor return on long term investments /investments insecure in current climate</p>	<p>3</p>	<p>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.</p>		<p>ACX (TC) *</p>	<p>Ongoing</p>	
	<p>21. Increased risk of fraud / theft due to economic climate resulting in financial losses and damage to reputation of authority. Housing tenancy fraud reduces availability of social housing.</p>	<p>3</p>	<p>Corporate Policies including 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. Staff are reminded about governance policies during appraisal process. Fraud awareness training for staff and Members in 2012 and leaflet issued. Implications of Bribery Act (July 2010) considered by services (raised in Fraud Awareness training). Various other policies and procedures such as Financial Regulations and Contract Standing Orders, management checks, segregation of duties, reconciliation processes for financial systems and IT Security measures. Discussions with A2Dominion regarding proactive measures to reduce housing tenancy fraud. Head of Audit Partnership working with Joint Heads of Housing and Independent Living to explore possibilities for new corporate fraud work.</p>		<p>Service Heads/ MAT</p>	<p>Ongoing</p>	
	<p>22. Reduction in service delivery and possible loss of internal control as a result of savings required to balance budget</p>	<p>3</p>	<p>Management is responsible for maintaining key services and internal controls regardless of resource levels. Any savings offered will be accompanied with summary of any associated risks.</p>		<p>Service Heads/ MAT</p>	<p>Ongoing</p>	

***KEY TO OFFICERS**

MAT - Management Team
 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 SS – 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
 RRO – Risk and Resilience Officer, Nick Moon
 CS & EDO – Community Safety and Economic Development Officer, Keith McGroary

***KEY TO RAG RATING**

***KEY TO TARGET DATES**

 Actions outstanding
 Partially actioned/Ongoing
 Completed/Ongoing

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

Audit Committee**12 December 2013**

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 (Deanna Harris)		
Summary and Key Issues	<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	*This item is not in the list of Corporate 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

Part 5 Section (e)

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 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.

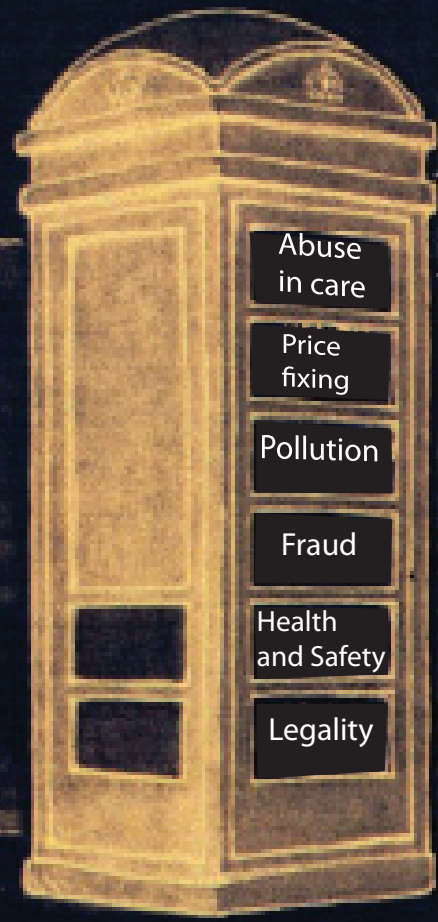
10. HOW THE MATTER CAN BE TAKEN FURTHER

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

<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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Audit Committee**12 December 2013**

Title	Anti Fraud, Bribery and Corruption Strategy		
Purpose	Resolution required		
Report of	Head of Audit Services	Confidential	No
Cabinet Member	Councillor Tim Evans	Key Decision	No
Report Author	Deanna Harris Head of Audit Partnership		
Summary and Key Issues	The Audit Committee is required to review the Council's Anti Fraud, Bribery and Corruption Strategy annually and to make any recommendations for change to the Cabinet. No changes are proposed.		
Financial Implications	There are none.		
Corporate Priority	This item is not in the list of Corporate Priorities		
Recommendations	The Audit Committee is asked to endorse the Council's Anti Fraud, Bribery and Corruption Strategy.		

1. Background

- 1.1 In its guidance on Audit Committees, CIPFA recommends:
 'Strategies to be overseen by the Audit Committee will include:
anti-fraud arrangements, anti-corruption arrangements including
 the authority's whistle-blowing guidelines...'
- 1.2 In order to fulfil this requirement the work programme for the Audit Committee includes an annual review of the Council's Anti Fraud, Bribery and Corruption Strategy. A review of the Council's Confidential (Whistle-blowing) Code is also being considered alongside this report.
- 1.3 The Anti Fraud, Bribery and Corruption Strategy is a corporate document and therefore any recommendations for change should be submitted to the Cabinet.

2. Key issues

- 2.1 The Anti Fraud, Bribery and Corruption Strategy is attached (**Appendix 1**).
- 2.2 The key elements of the Council's strategy to combat Fraud, Bribery and Corruption are:
- (a) An open and honest culture
 - (b) Adequate preventative measures
 - (c) Systems for detection and investigation
 - (d) Understanding and awareness within the Council of a "whistle blowing" policy.
- 2.3 As councils make significant cuts in budgets, it is essential they continue to maintain strong defences against fraud through zero tolerance policies, adequate deterrence and working with others to detect fraud.
- Spelthorne has many controls in place to reduce the risk of fraud and it is the responsibility of management to ensure controls are operating effectively.
- 2.4 The Anti Fraud, Bribery and Corruption Policy was amended in 2011 to reflect the Bribery Act which came into effect 1 July 2011. Senior management is responsible for ensuring the risk of bribery has been identified in their service areas and that staff have been appropriately trained.
- 2.5 Housing Benefit fraud is currently investigated by an in-house team within the Housing Benefit service. Often these investigations are undertaken in conjunction with the Department for Works and Pensions (DWP). Under government proposals this function is likely to transfer to a central government department in 2015 (Single Fraud Investigation Service). The Head of Housing and Independent Living, and Head of Audit are currently considering the future role of this team including widening their remit to cover housing tenancy fraud (in conjunction with A2D) and council tax discount/support fraud.

- 2.6 With the exception of Housing Benefit fraud, there have been no reported instances of fraud in the last year.
- 3. Options analysis and proposal**
- 3.1 There are none
- 4. Financial implications**
- 4.1 There are none
- 5. Other considerations**
- 5.1 Detail any other considerations to be taken into account and how these will impact upon the proposals being recommended for approval.
- 6. Risks and how they will be mitigated**
- 6.1 The Anti Fraud, Bribery and Corruption Strategy forms part of the Council's overall Corporate Governance arrangements and is intended to assist in reducing the risk of fraud, bribery and corruption.
- 7. Timetable for implementation**
- Not applicable

Background papers:

**Appendix:
Anti Fraud, Bribery and Corruption Strategy**

Part 5 section (f)**ANTI FRAUD, BRIBERY AND CORRUPTION STRATEGY****Introduction**

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

In this context

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

Corruption means - the dishonest influencing of actions and decisions.

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

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the General Public, Council Tax / Business Rates payers, Service Users, the Audit Commission, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the Department for Communities and Local Government, the Department for Work and Pensions and the Government Office for the South East [GOSE].
3. It also has External Auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud , bribery and corruption are:
 - An open and honest culture
 - Adequate preventative measures
 - Systems for detection and investigation
 - Understanding and awareness within the Council and the adoption of a "whistleblowing" policy

Culture

6. The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the Council's business. The

Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately they occur. It will treat all concerns raised seriously and in confidence.

8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer (currently Terry Collier)	Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.
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Monitoring Officer (currently Michael Graham)	Responsible for the legal probity and avoidance of maladministration or injustice by the Council.
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Chief Executive (currently Roberto Tambini)	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.
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9. In addition each Head of Service has responsibility for the proper organisation and conduct of their service area.
10. Concerns should be raised with any of the above officers or with the Council's Head of Audit Services (currently Deanna Harris).
11. More detailed guidance and advice on how to raise any concerns is contained in the Council's whistleblowing policy.
12. If anyone feels they are unable to raise their concerns through any of the above routes they may contact 'Public Concern at Work' (0207 404 6609), a registered charity whose services are free and strictly confidential.

Prevention

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

1. Codes/Procedures

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

Standing Orders, Codes of Conduct, and any relevant practice and procedure documents.

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

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

Members will in particular observe the Spelthorne code of conduct adopted on the 1 October 2007 and any other local Spelthorne code which may be adopted and will be supplied with a copy of any relevant code and advised of their responsibilities.

2. Systems

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

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

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

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

Detection and investigation

14. Concerns should be reported to one of the individuals referred to in paragraphs 8 to 10 above or in accordance with the Council's whistleblowing policy. A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service.
15. The Council will deal with any instances of fraud or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Cabinet Member informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud) this will be followed.
16. In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation

are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

17. Given the significance of benefit fraud in national and local statistics, the Council recognises the important role of its Benefit Fraud Investigation team in preventing and detecting benefit fraud. The Council will continue to support this function where working methods, resources and participation in national initiatives are under constant review.

Awareness

18. The Council recognises the continuing effectiveness of the Anti Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council and receive a copy for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on avoiding and preventing fraud and corruption.

WORK PROGRAMME 2013 – 2014

AUDIT COMMITTEE – 12 DECEMBER 2013

Resolution Required

1. Work Programme

1.1 This report covers the Work Programme for the 2013/14 municipal year. The Committee's terms of reference are set out at the front of the agenda

2. Current Work Programme

2.1 The remaining three meetings of this Committee have been scheduled in the Council's Diary for 2013-14 on the following dates:

- 12 December 2013
- 27 March 2014

2.2 Details of the currently identified items in the Work Programme are as follows:

12 December 2013		
Annual Audit letter	External Audit	Letter
Audit Services interim Report	Head of Audit Services	Report
Corporate Risk Register	Head of Audit Services	Review
Confidential Reporting Code (Whistleblowing Policy)	Head of Audit Services	Review
Anti-Fraud, Corruption and Bribery	Head of Audit Services	Review
Committee's Work programme	Head of Audit Services/ Chief Finance Officer / Audit Committee	Report

27 March 2014		
External Audit Plan	External Audit	Report
Corporate Risk Register	Head of Audit Services	Review
Corporate Risk Register	Head of Service - as appropriate Head of StreetScene	Updates on target dates missed
Internal Audit Annual Plan	Head of Audit Services	Report

2.3 Any topics identified during consideration of the business at this meeting, will need to be included in the Work Programme.

- 2.4 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.
 - 2.5 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.
 - 2.6 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.
- 3. Resolution**
- 3.1 The Audit Committee is asked to consider and approve the Work Programme as submitted and/or amended at the meeting.

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