

Please reply to:

Contact: Sam Nicholls
Service: Corporate Governance
Direct line: 01784 446240
E-mail: s.nicholls@spelthorne.gov.uk
Date: 19 March 2014

Notice of meeting

Audit Committee

Date: Thursday 27 March 2014

Time: 7.30 pm

Place: Goddard Room, Council Offices, Knowle Green, Staines-upon-Thames

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 12 December 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. Corporate Risk Management - Inspection Regime

To receive a verbal report from the Head of Streetscene on the progress of the new inspection regime and the provision of internal horticultural expertise to manage the grounds maintenance contract and tree maintenance works.

5. Corporate Risk Management

To receive a report from the Assistant Chief Executive (copy attached). 4 - 22

6. External Audit Plan

To receive a report from the External Auditor on certification of grants and returns (copy attached). 23 - 29

7. Internal Audit Plan 2014-2015

To receive a report from the Head of Audit Services (copy attached). 30 - 35

8. Committee Work Programme 2014/2015

The Committee is requested to consider and approve its work programme for the Municipal Year 2013/14 (copy attached). 36 - 37

**Minutes of the Audit Committee
12 December 2013**

Present:

Councillor M.J. Madams (Vice-Chairman)

Councillors:

J.A. Dale

A.C. Patterson

S. Webb

C.V. Strong

Apologies: Apologies were received from Councillors D. Gohil and D. Patel.

338/13 Minutes

The minutes of the meeting held on 19 September 2013 were approved as a correct record.

339/13 Annual Audit Letter

The Committee considered the external auditors' annual audit letter which summarised the key findings from KPMG's 2012/13 audit of the Council. This included the audit of the Council's 2012/13 financial statements and the 2012/13 Value for Money (VFM) conclusion, on both of which KPMG issued an unqualified opinion.

The Committee thanked the Audit Services Team for their work undertaken which contributed to the final external audit fee of £63,270, an overall reduction of 40 percent on the comparative total fee for 2011/12 of £105,450 and noted that this figure also reflects the significant reductions made nationally by the Audit Commission to its scale fees.

RESOLVED that the external audit annual audit letter for 2012/13 be noted.

340/13 Audit Services Interim Report

The Head of Audit Services presented her report which summarised the work undertaken by Audit Services during the period April 2013 to November 2013 and provided the Council with assurance on the adequacy of its internal audit systems of control.

She responded to questions from members on the risks relating to duplicate payments and the systems in place to safeguard against that risk.

RESOLVED that the audit services interim report for the period April 2013 to November 2013 be noted and approved.

341/13 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 to ensure that actions were being taken to deal with the identified risks. The revised Register was considered to be an accurate

Audit Committee, 12 December 2013 - continued

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 which were documented on the register. She updated the Committee on the information security risk, an area where proper procedures are in place yet extra resources are needed to ensure compliance with the Data Protection Act. She also noted the robust project management systems in place instigated by the Head of Customer Services in her role as Project Manager but highlighted the Council still had 43 ongoing projects.

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 as she was unavailable to attend December's Committee.

RESOLVED that the contents of the Corporate Risk Register be noted and accepted and recommended to Cabinet for approval works.

342/13 Confidential Reporting Code (Whistleblowing Policy)

The Head of Audit Services submitted the Confidential Reporting Code (Whistleblowing Policy), which formed part of the Council's Constitution, for review. The Code sets out how to raise serious concerns about any aspect of the Council's work, who to raise them with and how they should be dealt with. The Code is available on the Council's intranet; a bright orange leaflet is posted on every internal notice board and regular reminders are given to staff of its existence. The Head of Audit Services also emphasised that whistleblowers are protected under legislation and that there is an external charity which can be used by staff if they do not wish to raise concerns internally.

RESOLVED to note and approve the Confidential Reporting Code (Whistleblowing Policy) as submitted.

343/13 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.

The Committee discussed central government's proposals to create a centralised fraud investigation service and the implications to the Council's Housing Benefit Fraud team. The Committee noted that the Joint Head of Housing and Independent Living and the Head of Audit Services were liaising with A2Dominion on offering Council expertise with Housing Tenancy Fraud investigations. The Committee requested an update to be given by the Head of Audit Services at the next Audit Committee in March.

Audit Committee, 12 December 2013 - continued

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

344/13 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 27 March 2014.

Audit Committee

27 March 2014



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 Significant issues to report are:

- (a) **Emergency Planning** - The recent flooding has triggered activation of the Emergency Plan, the Multi Agency Flood Plan, the Borough Emergency Centre plan, the Emergency Assistance Centre Plan and the Vulnerable People plan. A full debrief will be undertaken in due course.
- (b) **Town Centre Developments** – The risk that recent flooding may have an impact on the viability of future developments has been discussed with the Council's property advisers. Their view is that flooding will not have a long term adverse impact on development potential.
- (c) **Project Management** – There are currently approximately 40 ongoing projects and these include a number of major schemes which are asset related. Audit Committee has previously been alerted to the issue of resources available to deliver the entire programme of projects. The Council has approved additional funding of £450,000 as part of 2014/15 budget to support delivery of town centre developments. However, Management Team and Members will need to monitor the Council's capacity to deliver the current programme of projects and proposals for

new projects should be subject to full analysis as to whether they are aligned to the Council's priorities and how they are to be resourced.

- (d) **Information Governance** – Further work is required to progress the action plan to ensure information assets are identified and managed to reduce the risks of data breaches, fines and reputational damage. In the absence of resources the progress made to date is limited.
- (e) **IT Security** – CoCo re-accreditation was achieved in December 2013. A further submission has to be made by 13th August 2014 where any outstanding issues will have to have been addressed. The Cabinet Office has increased security requirements due to the implementation of the Public Service Network (PSN). Migration to the PSN is scheduled for 27 March.
- (f) **Business Continuity** – The Council's business continuity arrangements have been tested in the recent period of flooding when services were maintained despite some difficulties for staff getting to work and the need to divert staff to deal with flood issues. An ICT Disaster Recovery test is scheduled for week commencing 17th March. In autumn 2013 the Council successfully tested switching Knowle Green power supply to a generator.
- (g) **Resilience for key staff** – Management Team are continuing to address and monitor critical areas where there are high levels of dependency on individual members of staff.
- (h) **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 the risk of low morale are set out in the Register. There are no actual measures of current levels of staff morale but the Peer Review carried out research and further work is planned by Management Team to assess the situation within teams.
- (i) **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. Recovery action has been tightened but there will be an impact on overall recovery rates.
- (j) 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. There is a continual increase of households in bed and breakfast (with the added issue of overspend on the bed and breakfast budget) and lack of resources to discharge the duty. An 'Advisor' has been appointed to look at all options for the borough to invest in as well

as to identify good practice elsewhere. Cabinet are supportive of this approach.

- (k) **Performance Management** - A new Performance Management Board is being set up which will oversee progress with the actions in the Corporate Plan and a range of key indicators.
- (l) **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 has attended an Institute of Occupational Safety and Health (IOSH) course relating to contractors working on trees in parks and she has enrolled with a distance learning provider to take the RHS (Royal Horticultural Society) level 2 diploma. These steps will help to improve management of the grounds maintenance contract. The Head of Streetscene will also be attending Audit Committee to provide assurance on the measures taken to address potential risks relating to contract management.

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 4

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 March 2014

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	Update from Stuart Mann awaited. The Head of Streetscene has attended an IOSH (Institute of Occupational Safety and Health) course run by the HSE (Health and Safety Executive) relative to contractors working on trees within parks.
	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)	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	3.Disaster- major in borough, e.g. flooding, resulting in significant strain on council services (eg homelessness).	4	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.	<i>The following position was reported in December 2013. Actions are being reviewed following recent flooding. '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 and review of Vulnerable people plan underway -multi agency work through the Local Resilience Forum. Target date July 2014.'</i>	ACX (LB)/RRM (NM)*	Ongoing	The recent flooding has triggered activation of the Emergency Plan, the Multi Agency Flood Plan, the Borough Emergency Centre plan, the Emergency Assistance Centre Plan and the Vulnerable People plan. A full debrief will be conducted.
	4. Failure to manage corporate and service performance (Performance Management)	3	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.	<i>A new Performance Review template has been developed for each service. However, performance management arrangements need to be fully developed and implemented.</i>	MAT / ACX LO	March 2014 then ongoing	A new Performance Management Board is being set up which will oversee progress with the actions in the Corporate Plan and a range of key indicators. Arrangements/terms of reference for the new Board to be confirmed by the end of March 2014 with the Board to meet quarterly thereafter.

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	5. Failure to align service objectives to corporate aims / Failure to deliver services effectively due to poor service planning	3	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.	<i>Service Plans need to be completed for 2014/15</i>	Service Heads/ MAT	March 2014	New service plan template has been issued to all heads of service with target of 28th March for completion of 2014-15 service plans.
	6. Failure of projects due to poor project management arrangements. Lack of resource and expertise to deliver and coordinate asset related/other projects.	3	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 improved for Staines upon Thames developments and Housing projects. A number of projects have been successfully delivered.	<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>	MAT	Ongoing	March 2014: Council has approved additional funding of £450,000 as part of 2014-15 budget to support delivery of town centre developments
<i>2. Consideration will need to be given to the implications of the recent flooding of the area on the viability of developments in Staines town centre</i>				MAT	March 2014	This has been discussed with Council's property advisers. Development sites being considered have flood risk assessment. Advisers view that flooding will not have a long term adverse impact on development potential	
<i>3. 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	Project management team meets individual members of MAT on a regular quarterly basis to review management of projects.	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	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 March 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)	The Information Governance Group is developing an action plan to ensure information assets are identified and managed. In the absence of dedicated resources the progress made to date is limited. A disaster recovery test is scheduled for week commencing 17th March
	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. Arrangements are now in place to ensure that required work groups are cleared to the Baseline Personnel Security Standard with additional employment checks undertaken as required for 2013 compliance and extending to further workgroups by 2015.		Head of ICT *	Ongoing	
			CoCo re-accreditation achieved in December 2013. The Cabinet Office has increased security requirements due to the implementation of the Public Service Network (PSN). Migration to the PSN (public sector network) is scheduled for 27 March.	<i>A further submission has to be made by 13th August 2014 where any outstanding issues will have to have been addressed.</i>	Head of ICT *	13 August 2014	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	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 Sept 2013.	<i>Planned upgrades to telephony to increase resilience. ICT disaster recovery exercise is next priority - provisional booking for March 2014. Service planning to begin June 2014 completed by Sept 2014. Corporate plan completed by November 2014.</i>	Service Heads/MAT/RRM *	Nov 14 (O)	The Council's business continuity arrangements have been tested in the recent period of flooding when services were maintained despite some difficulties for staff getting to work and the need to divert staff to deal with flood issues. ICT Disaster Recovery test scheduled for week commencing 17th March. In autumn 2013 Council successfully tested switching Knowle Green power supply to a generator.
	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.	MAT will be reviewing structures as part of the budget saving exercise, and consideration will be given to resilience and succession planning arrangements.	Service Heads/ MAT	June 2014	MAT and Heads of Service have identified and addressed resilience issues in a number of service areas including: Accountancy, Customer Services, Asset Management, Housing Options, Economic Development. The Council's approach to flexible and remote working helps mitigate resilience issues.

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	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. Staff have access to counselling via Occupational Health.	<i>Members and Management Team will need to keep resourcing levels under review, particularly the impact of new projects and any statutory obligations on service/project delivery.</i>	Service Heads/ MAT	Ongoing	MAT maintaining under review
	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. Staff have access to counselling via Occupational Health.	<i>Members and Management Team will need to keep resourcing levels under review, particularly the impact of new projects and any statutory obligations on service/project delivery.</i>	Service Heads/ MAT	Ongoing	MAT maintaining under review

	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	There are a range of employment arrangements in place including recruitment and selection, pay and rewards, training and development. Other measures exist such as Change Management process clear communications, performance management systems, appraisals, one to one's, team meetings, performance clinics, staff meetings. A new tri-partite Pay Working Group was set up from December 2013 to consider arrangements and help identify any issues that require a changed approach.	1: <i>Management Team to keep under review.</i>	MAT	Nov 2013 (O) Jan 2014 (R) March 2014 (R)	March 2014 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.
				2. <i>A peer review is took place January 2014 and an action plan is being developed.</i>	ACX LO	May 2014	
				3. <i>Consideration to be given a staff survey</i>	MAT/Head of HR * / ACX LO	May 2013 (O) Jan 2014 (R) March 2014 (R)	Points arising from the Investors in People (IIP) assessment report have been considered by Management Team

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R)	PROGRESS
<div style="background-color: green; width: 100%; height: 100%;"></div> <div style="background-color: orange; width: 100%; height: 100%;"></div>	<p>13. Failure to obtain value for money (vfm) / lack of transparency in awarding contracts. Contractual disputes and claims 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>	3	<p>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. 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. Specification writing training has taken place.</p>	<p>1. <i>Procurement, contract management and asset management expertise is limited across the authority.</i></p>	MAT	Ongoing	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>2. <i>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>	ACX (TC)*	Ongoing	
				<p>3. <i>There is a lack of horticultural expertise within Streetscene and therefore a risk that the Grounds Maintenance contract will not be effectively managed.</i></p>	ACX (LB)	Dec 2013 (O) March 2014 R	The Head of Streetscene has enrolled with a distance learning provider to take the RHS level 2 diploma exam. This will provide some internal expertise in order to strengthen the management of the grounds maintenance contractor. The Head of Streetscene will be attending Audit Committee to provide assurance on the measures taken to address potential risks relating to contract management.

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	<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>	3	<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 if 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 has received updates on Welfare Reforms. 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><i>1. Service Heads/MAT to monitor staffing and other resource implications as appropriate.</i></p>	MAT/Joint Heads of H & IL*	Mar-11	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
					Joint Heads of H & IL *	Ongoing	There is a continual increase of households in bed and breakfast (with the added issue of overspend on the bed and breakfast budget) and the lack of resources to discharge duty. To try and mitigate this an "Advisor" has been contracted to look at all options for the borough to invest in as well as look at good practice elsewhere . Cabinet are supportive of this approach.
					HOCS *	Ongoing	As at 28 February 2014, collection rates were 97.8% compared to 98.1% for previous year. Recovery on Council Tax Support is 72.1% compared to overall collection rates. Recovery notices continue to increase with a 20% increase across reminders, finals and summonses compared with 2012/13. Recovery staff are now being taken off the telephones to proactively chase council taxpayers who are in default of arrangements and weekly recovery and bailiff notices are being issued in a bid to improve collection rates
	15. Poor partnership governance arrangements	3	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		MAT	Ongoing	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	16. Uncertainty over economic growth and supplier failure, impacting on: • Delivery of contracts and services • Business Rate income. SBC now bears a significant share of any losses on collection.	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners that the authority engages with. Recovery and inspection of business properties is being strengthened to maximise collection/minimise losses for the Council	<i>Impact of new Business Rate arrangements on Council finances is under ongoing review.</i>	ACX (TC) *	Ongoing	
			An Economic Development Strategy has been prepared after consultation with various external bodies. Communication of the vision, proposed actions and measures of success is taking place.	<i>Economic development is a Council priority and growth will impact on business rate income.</i>	ACX (TC) * CS & EDO*	Ongoing	
	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	The budget for a temporary Human Resources Officer has been secured until the end of March 2015 to help cover the professional HR workload. Professional Human Resources staff keep up to date with changes to employment and pensions legislation and report to Management Team and Members where changes are required

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	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 updated its safeguarding policies and procedures. Details have been reported to Members. 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	




RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	20. Poor return on long term investments /investments insecure in current climate	3	<p>Treasury Management Strategy approved by Members. Aim to select counter parties of the highest credit quality; credit ratings monitored closely.</p> <p>Council's investments managed internally in consultation with Arlingclose.</p> <p>Use a range of credit ratings and criteria recommended by Arlingclose.</p> <p>Regular monitoring and reporting of investment portfolio and returns achieved.</p>		ACX (TC) *	Ongoing	
	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.	3	<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.</p> <p>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).</p> <p>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.</p> <p>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>		Service Heads/ MAT	Ongoing	

RAG	RISK / CONSEQUENCES	LEVEL OF RISK	CONTROLS	ACTIONS	OWNER SHIP	ACTION DATE Original (O) Revised (R) Ongoing	PROGRESS
	22. Reduction in service delivery and possible loss of internal control as a result of savings required to balance budget	3	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.		Service Heads/ MAT	Ongoing	

***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**

 Actions outstanding
 Partially actioned/Requires monitoring
 Completed/Ongoing monitoring

***KEY TO TARGET DATES**

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



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Certification of grants and returns 2012/13

Spelthorne Borough Council

February 2014





Contents

The contacts at KPMG in connection with this report are:

Tamas Wood

Director

KPMG LLP (UK)

Tel: 020 7311 6458

tamas.wood@kpmg.co.uk

Paul Cuttle

Manager

KPMG LLP (UK)

Tel: 020 7311 2303

paul.cuttle@kpmg.co.uk

Catherine Fisher

Assistant Manager

KPMG LLP (UK)

Tel: 020 7311 2424

catherine.fisher@kpmg.co.uk

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This report is addressed to the Council and has been prepared for the sole use of the Council. 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.

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 who is the engagement leader to the Council (telephone +44 (0)20 7311 6458, e-mail tamas.wood@kpmg.co.uk who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees (telephone 0161 236 4000, e-mail 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 0303 444 8330.



Certification of grants and returns 2012/13

Headlines

Introduction and background	<p>This report summarises the results of work on the certification of the Council's 2012/13 grant claims and returns</p> <ul style="list-style-type: none"> For 2012/13 we certified one grant and one return with a total value of £81.2 million (2011/12, £75.6 million). 	-
Certification results	<p>The Housing and Council Tax Benefits Subsidy claim was subject to qualification</p> <ul style="list-style-type: none"> We were required to issue a qualification on the Housing and Council Tax Benefits Subsidy claim. This was a result of an error identified in our initial testing. The claim was not subject to qualification in 2011/12. The National Non-Domestic Rates return was not subject to qualification. This is consistent with 2011/12. 	Pages 3 – 4
Audit adjustments	<p>A minor adjustment was necessary to the Housing and Council Tax Benefits Subsidy claim</p> <ul style="list-style-type: none"> The Housing and Council Tax Benefit Subsidy claim was adjusted by £23 as a result of an error identified in our initial testing. This error does not relate to the qualification referred to above. An amendment was possible because the Council was able to quantify the error by reviewing all cases within the cell affected. No audit adjustments were made to the National Non Domestic Rates return. 	Pages 3 – 4
The Council's arrangements	<p>The Council has adequate arrangements for preparing its grants and returns and supporting our certification work</p> <ul style="list-style-type: none"> All returns were supported by adequate working papers and clear audit trails. In all cases, Council staff were helpful and supportive of the audit process. We have made a recommendation that additional training is provided to benefit assessors to reduce the instances of the type of errors identified in 2012/13 occurring in the future. 	Page 4
Fees	<p>The Audit Commission changed its fee regime for certifying grants and returns in 2012/13, and set an indicative fee for the Council of £12,800 (excluding VAT). The final fee was £14,686</p> <ul style="list-style-type: none"> As a result of the additional work required to certify the Housing and Council Tax Benefits Subsidy claim an additional fee of £1,886 was agreed with the Council and approved by the Audit Commission. Our fee in 2012/13 of £14,686 represents a decrease of £3,420 from £18,106 in 2011/12. 	Page 4



Certification of grants and returns 2012/13

Summary of certification work outcomes

We certified one grant and one return:

- one required a qualification to our audit certificate and a minor adjustment to the claim; and
- one was unqualified with no amendment.

Detailed comments are provided overleaf.

Detailed below is a summary of the key outcomes from our certification work on the Council's 2012/13 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

	Comments overleaf	Qualified certificate	Significant adjustment	Minor adjustment	Unqualified certificate
Housing & Council Tax Benefit	1				
National Non Domestic Rates return	2				1
		1	0	1	1



Certification of grants and returns 2012/13

Summary of certification work outcomes (continued)

This table summarises the key issues behind each of the adjustments or qualifications that were identified on the previous page.

Ref	Summary observations	Amendment
1	<p>Housing and Council Tax Benefit</p> <ul style="list-style-type: none"> We were required to issue a qualification on the Housing and Council Tax Benefits Subsidy claim due to error identified during our detailed testing of Council Tax subsidy. In one case selected as part of our initial testing we found the Council had not updated the claim assessment for a change in non-dependents. This resulted in the claimant receiving more subsidy than they were entitled to. We did not identify any further errors in our additional sample. In accordance with certification instructions we were required to issue a qualification on the claim due to the error identified. We also identified an error in the calculation of rent rebates for non-HRA properties and the application of the Local Housing Allowance. However, we were able to identify and test the entire population to which the errors related, and therefore adjusted the claim resulting in a small increase in subsidy payable to the Council. 	+£23
2	<p>National Non Domestic Rates return</p> <ul style="list-style-type: none"> Detailed working papers to support the return were of an adequate standard and requests for detailed evidence were responded to promptly. The return was certified without the need for a qualification letter. 	-

Breakdown of fee by grant/return		
	2012/13 (£)	2011/12 (£)
Housing and Council Tax Benefit (BEN01)	11,466	15,748
National Non Domestic Rates (LA01)	2,360	2,358
Total fee	14,686	18,106



Certification of grants and returns 2012/13 Recommendations

We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

Priority rating for recommendations

<p>1 Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p>2 Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p>3 Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>
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Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Review of mid year amendments					
<p>The Housing and Council Tax Benefit return was amended and qualified due to:</p> <ul style="list-style-type: none"> failure to update a claim assessment for a change in non-dependants; and incorrect application of the Local Housing Allowance. 	<p>If benefit claimants are not correctly assessed it will result in incorrect subsidy being received.</p> <p>Errors may also result in incorrect payments to claimants.</p>	<p>Training should be provided to benefit assessors, focusing on the issues identified as part of our certification in 2012/13 to strengthen the quality of claimant assessments and classification of overpayments.</p>	<p>2</p>		



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Audit Committee**27 March 2014**

Title	Internal Audit Plan 2014/15		
Purpose	For Information		
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	<p>This report sets out the work planned by Audit Services during 2014/15.</p> <p>Appendix 1 shows the scope of internal audit work and specific work planned in the following areas:</p> <ul style="list-style-type: none"> • Assurance - Internal Audit provides assurance that the Council's risks (financial and non financial) and controls are being effectively managed. • Reviews requested by management. • Advice • Contingency - Time is set aside for contingency which is allocated to special investigations and other unplanned work as it arises. • Miscellaneous Development of partnership working with other organisations, sale of time to other boroughs etc. • Other support work 		
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 work plan (2014/15) for Audit Services.		

1. Background

1.1 The Accounts and Audit Regulations require local authorities 'to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices'.

1.2 Internal Audit is defined as:

"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes." (The Public Sector Internal Audit Standards)

1.3 The Internal Annual Plan sets out how the authority will fulfil statutory and professional requirements.

1.4 The Plan ensures all auditable areas are identified (known as the 'Audit Universe'), that it is prioritised and sufficient time allocated to carry out the work. The planned work is supported by a risk based audit approach which involves ensuring significant risks have been identified and are being effectively managed. Time allocated will take into account other factors such as the value/volume of transactions, known system weaknesses, likelihood and impact of risks.

Audit reviews are allocated to individual auditors who will carry out the work and report back to management on their findings. Periodic reports summarising the work of the section are prepared for Management Team and Audit Committee. As Internal Audit operates under a partnership arrangement with Elmbridge there will be some joint work undertaken, continued sharing of skills and operation of standard auditing processes.

The Annual Plan is reviewed by the Head of Audit Partnership on a regular basis. Longer term strategic plans are not considered appropriate given the rapid changing environment in which local government operates.

2. Key issues

2.1 Consideration has been given to new/developing systems, areas of organisational change and major procurements/developments. These include the various asset related developments, new housing management system, implementation of proposals for transferring Housing Benefit fraud resources to central government and various other projects as set out in Appendix 1. Emerging fraud risks have been identified and further testing will be carried out in specific areas.

2.2 A copy of the Annual Audit Plan Summary (20014/15) is attached at Appendix 1.

2.3 The document shows the scope of internal audit work and specific work planned in the following areas:

- Assurance - Internal Audit provides assurance that the Council's risks (financial and non financial) and controls are being effectively managed
 - Reviews requested by management
 - Advice
 - Contingency - Time is set aside for contingency which is allocated to special investigations and other unplanned work as it arises
 - Miscellaneous
 - Other support work
- 2.4 Under the external auditor's previous regime all key financial systems were audited on an annual basis. However, KPMG no longer specifies the same level of coverage and there are new regulations which require them to form opinions independently of reviews undertaken internally. Therefore for 2014/15, where Internal Audit is satisfied that there are no material changes in systems or previously identified weaknesses, resources have been transferred into other areas to provide assurance on specific risks. Internal Audit continues to work closely with KPMG.
- 2.5 The Council's Management Team has been consulted during the audit planning process.
- 3. Options analysis and proposal**
- 3.1 There are no options Financial implications
- 4. Financial implications**
- 4.1 Not applicable.
- 5. Other considerations**
- 5.1 There are no other considerations.
- 6. Risks and how they will be mitigated**
- 6.1 The Audit Plan is informed by the authority's risk management process and other issues such as volume/value of transactions, and previous audit findings. Significant risks identified by audit are reported to the Audit Committee on a quarterly basis. Implementation of audit recommendations will reduce risks for the authority.
- 7. Timetable for implementation**
- Not applicable

Background papers: None

Appendices: Appendix 1

ANNUAL INTERNAL AUDIT PLAN SUMMARY – 2014/15	
Category of Work	Planned Work
<p>1. <u>Assurance</u></p> <p>Internal Audit provides independent assurance that risk management processes, control systems, accounting records and governance arrangements are in place and operating properly.</p> <p>Internal Audit uses a risk-based approach to identify and assess controls which mitigate significant risks. Audit risk assessments are also used to determine the nature and level of testing required in each service, system or project under review.</p> <p>Some of the work will consist of discrete</p>	<p>Corporate Governance – including Land Charges, Information Management and Individual Electoral Registration</p> <p>Communications – including Social Media</p> <p>Community Safety – follow up and Enforcement Project</p> <p>Disabled Facilities Grants</p> <p>Planning and Housing Strategy – including Community Infrastructure Levy (CIL)</p> <p>Finance Systems - Accountancy / General Ledger, Creditors, Debtors, Cash and Bank - New Bank contract, Treasury Management, Asset Register/Capital</p> <p>Asset Management – including Runnymede Partnership, Office Services</p> <p>Procurement – including new EU directives</p> <p>Customer Services – follow up, CRM (Customer Relationship Management), Engage and Connect applications</p> <p>Council Tax and Business Rates – including discount fraud</p> <p>Economic Development</p> <p>Human Resources – Itrent project (development of selfserve) and Payroll</p> <p>ICT</p> <p>Insurance – follow up</p> <p>Sustainability - Parking – follow up, new systems and Surrey County Council on-street agreement, Public Halls, Allotments and miscellaneous</p> <p>Housing – use of funds, applications, allocations, homelessness and application/tenancy fraud</p> <p>Housing Benefits and Council Tax Support</p> <p>Grounds Maintenance – follow up</p> <p>Emergency and Business Continuity Planning, particularly with a focus on recent flooding</p> <p>Supporting Families programme</p> <p>New Homes Bonus</p> <p>Shared services</p>

reviews but Internal Audit will monitor/report risks where there are ongoing projects.	Ongoing Projects – Knowle Green Hub, Ashford Multi Storey Car park, Knowle Green Office moves, Laleham Park, Staines Town Centre developments (Tothill, Bridge Street, Riverside, Staines upon Thames, Elmsleigh Car Park), Airport Parking, Manor Park cafe, Spelthorne Leisure Centre review, Locata (Housing Management system), welfare reforms, Single Fraud Investigation Service, Department for Communities and Local Government (DCLG) funded waste project, Stanwell (various projects) and any other projects arising
2. Reviews requested by management.	Leisure – value for money Market – financial systems Town centre developments (see above)
3. Advice	Internal Audit provides advice on financial procedures, compliance with Contract Standing Orders, Financial Regulations and other governance arrangements, and other advice on an ad hoc basis.
4. Contingency	Unplanned audit work including special investigations, management request for assistance, additional time required on planned audits if control weaknesses are identified etc.
5. Misc.	Development of partnership working with other organisations. Sale of time to Elmbridge/other authorities.
6. Other Support Work	Corporate Risk Management – coordination of Corporate Risk Register Information Governance Group Information systems and security – various groups Corporate Fraud - Single Fraud Investigation Service (SFIS), Prosecution policies, Housing tenancy fraud, Fraud risk assessment, fraud awareness Investigations (non-audit/staffing) Performance Management Board Project Management Board Debt Management Group Annual Governance Statement

WORK PROGRAMME 2014 – 2015

AUDIT COMMITTEE - 27 MARCH 2014

Resolution Required

1. Work Programme

- 1.1 This report covers the Work Programme for the forthcoming 2014/15 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 This is the last meeting of the Committee scheduled for the municipal year 2013/14.
- 2.2 Meetings of this Committee have been scheduled in the Council's Diary for 2014 -15 on the following dates:-
- 26 June 2014
 - 18 September 2014
 - 11 December 2014
 - 26 March 2015

- 2.4 Details of the Work Programme for the next meeting are as follows:

26 June 2014		
Corporate Risk Register	Head of Audit Services	Review
Corporate Risk Register	Head of Service - as appropriate	Updates on target dates missed
Audit Services Annual Report	Head of Audit Services	Report
Committee's Work programme for 2014/2015	Head of Audit Services/ Chief Finance Officer /Audit Committee	Report

18 September 2014		
External Audit report on Audit and Statement of Accounts	External Audit	Report
Report on the effectiveness of the system of Internal Audit	Head of Audit Services	Report
Corporate Risk Register	Head of Audit Services	Review
Corporate Risk Register	Head of Service - as appropriate	Updates on target dates missed
Anti-fraud, corruption and bribery policy	Head of Audit Services	Review
Annual Governance Statement	Chief Finance Officer	Report
Committee's Work programme for 2014/2015	Head of Audit Services/ Chief Finance Officer/Audit Committee	Report

- 2.6 Any topics identified during consideration of the business at this meeting, will need to be included in the above Work Programme.
- 2.7 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.
- 2.8 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.
- 2.9 Managers may be required to attend the Committee, similarly to that resolved in Minute No. 227/06, to explain why they have not implemented the recommendations of the Head of Audit Services. It is not possible to predict these circumstances but they will be dealt with as and when they arise either by incorporating into the Work Programme or appearing on the agenda as appropriate.

3. Resolution

The 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: Samuel Nicholls, Trainee Committee Manager (01784) 446240