

Audit Review	Assurance Level*	Comments / Agreed areas for improvement
Insurance	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Corporate Risk Management Group (CRMG) meetings need to be held more regularly</li> <li>• Action plans are required to enable CRMG to monitor progress.</li> <li>• Opportunities to benchmark and share information need to be explored.</li> <li>• The officer responsible for insurance reports to Deputy Chief Executive (DCX) (Lee O'Neil) for his Health and Safety role but to DCX (Terry Collier) for insurance functions. Service Planning and performance monitoring for the insurance functions should be managed by DCX (TC).</li> <li>• A system is required to identify and plan where inspections are required.</li> <li>• The officer responsible for insurance required an up-to-date job description.</li> <li>• Payments relating to insurance should be approved by DCX (Terry Collier) and not by officers in DCX (Lee O'Neil) service.</li> <li>• A business continuity plan is required for insurance services.</li> <li>• A review of property valuations has been recommended.</li> <li>• The DCX (TC) will oversee future insurance procurements including tendering arrangements.</li> </ul>
ICT	Effective	<p>Audit reviewed:</p> <ul style="list-style-type: none"> <li>• IT Security policies</li> <li>• 3rd Party user access agreements – remote access</li> <li>• User access levels/rights</li> <li>• Starters and leavers</li> <li>• Physical security</li> <li>• Outstanding recommendations</li> </ul>
Parking	Some Improvement Needed	<ul style="list-style-type: none"> <li>• On-street income from Penalty Charge Notices: <ul style="list-style-type: none"> <li>○ Requires regular monitoring by Finance.</li> <li>○ Write offs need appropriate approval.</li> </ul> </li> <li>• Pay by phone income should be reconciled by Finance.</li> <li>• Monitoring of season ticket income should be re-instated.</li> </ul>

		<ul style="list-style-type: none"> <li>• Debt registration had not been undertaken since 2012/13 and needs to be resumed.</li> <li>• Parking Service vehicle usage should be monitored.</li> <li>• Complaints are not logged centrally and responses are not monitored.</li> <li>• The Senior Car Park Administrator requires an up-to-date job description.</li> </ul>
Creditors	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Business continuity arrangements should be tested.</li> <li>• Independent checks to be carried out on change of supplier bank details.</li> <li>• It was noted that previous recommendations had been addressed.</li> </ul>
Main Accounting	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Finance Manual is to be finalised.</li> <li>• Business Continuity Plans to be updated and tested.</li> <li>• Service Plan to be finalised.</li> </ul>
Community Safety	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Health and Safety risk assessments need to be updated.</li> <li>• Secure network channels should be used for exchange of confidential information.</li> <li>• Job descriptions need to be updated.</li> <li>• Business continuity plan should be updated regularly and tested.</li> </ul>
Independent Living	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Delivery notes should be signed.</li> <li>• The Business Continuity Plan should be updated and tested.</li> <li>• A formal performance management process needs to be implemented.</li> <li>• Proposals made to improve record keeping and accounting for income/expenditure at the Day Centres (relating to unofficial funds)</li> <li>• More robust processes and documentation in place for appointing and managing volunteers</li> </ul>
Council Tax	Effective	<p>Audit reviewed:</p> <ul style="list-style-type: none"> <li>• Recovery / suppression of accounts</li> <li>• Risk of theft/fraud</li> <li>• Write off procedures</li> <li>• Amendments to Standing Data</li> <li>• Council Tax discounts and NNDR reductions</li> <li>• Business Continuity</li> <li>• Health and Safety</li> </ul>
Business Rates	Effective	
Payroll/Human	Some	<ul style="list-style-type: none"> <li>• Segregation of duties is difficult to achieve in a small team. The potential risks associated</li> </ul>

## Appendix

Resources	Improvement Needed	<p>with the Payroll Officers both having system administrator access have been accepted by senior management.</p> <ul style="list-style-type: none"> <li>• Evidence has been requested to confirm disaster recovery testing undertaken by the host authority (Tandridge Council). Management will be considering adequacy of business continuity arrangements.</li> <li>• Independent verification of establishment records should be completed fully by all managers and non-returns pursued by Human Resources. Financial Services will be verifying employee details in future as part of budget monitoring meetings which will help to streamline processes and avoid duplication.</li> </ul>
Procurement	Effective	<p>Audit reviewed: Compliance with new legislation and Transparency Code. This area is being monitored by the Procurement Board.</p>
Housing Benefits	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Previous recommendations were followed up</li> <li>• The implementation of the new Council Tax Support Scheme was satisfactory</li> <li>• Overpayment statistics should be updated/reviewed at regular intervals to ensure that outstanding arrears are being effectively managed</li> </ul>
Debtors	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Suspense accounts should be cleared regularly</li> <li>• Recovery procedures should be reviewed</li> <li>• Ongoing risk of failure to invoice for income due/ need for reminders to all staff</li> </ul>
Customer Services	Some Improvement Needed	<ul style="list-style-type: none"> <li>• There is an ongoing resilience risk relating to the Head of Customer Services role.</li> <li>• Efficiency savings through the transfer of further functions to Customer Services should be explored.</li> <li>• Improved security measures were recommended.</li> <li>• Clarification over public liability cover required for hall bookings.</li> <li>• Need for corporate records of all complaints received/processed.</li> </ul>
Garden Waste	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Audit has liaised with ICT to create a more efficient and effective database of garden waste customer records.</li> <li>• Customers should be encouraged to pay via direct debit for the service.</li> </ul>
Supporting families	Some Improvement Needed	<ul style="list-style-type: none"> <li>• The partnership agreement between 3 authorities needs to be finalised</li> <li>• Although Surrey County Council has verbally confirmed they will cover any redundancy costs if the scheme is discontinued, there is no formal agreement in place.</li> </ul>

		<ul style="list-style-type: none"> <li>• At the time of the audit responsibility for managing the scheme following organisational re-structure was unclear. This function now sits with the DCX (TC).</li> <li>• A joint risk assessment covering the 3 authorities has been recommended.</li> </ul>
Independent Electoral Registration	N/A	Internal Audit was unable to complete this review due to workload issues in Electoral Registration. However, a national risk assessment is undertaken at all authorities and therefore reliance was placed on this external source of assurance.
New Homes Bonus (NHB)	Some Improvement Needed	<ul style="list-style-type: none"> <li>• Accountancy will carry out checks on the accuracy of grant claims in future</li> <li>• It is acknowledged that NHB is currently supporting the revenue budget. This may need to be reduced over coming years as this funding may not continue indefinitely.</li> <li>• Scope for improved coordination of the New Homes Bonus scheme by making one officer accountable for assessing progress in this area, ensuring that relevant departments work more closely together to achieve desired outcomes.</li> </ul>
Elmsleigh Centre	Some Improvement Needed	The Council is the freehold owner of the centre. Further measures required to strengthen the overall management of income and expenditure associated with the leasing of the centre have been raised with DCX (TC).
Continuous Auditing - ongoing review of risks		CRM (Customer Relationship Management system), Town centre developments, Ashford car park, Airport Parking, change of bank contract and Laleham Park.
<b>In Progress</b>		
<ul style="list-style-type: none"> <li>• Treasury Management</li> <li>• Office Services</li> <li>• Asset Management</li> <li>• Environment Services</li> <li>• Leases</li> <li>• Right to buy</li> <li>• Follow up of previous recommendations</li> </ul>		

Investigations undertaken in the following areas:	
Council Tax refund	
Independent Living – unofficial funds	
Streetscene	
Council Tax - Student exemptions	
Knowle Green Office - theft of personal monies	
Sick records	
Insurance tender	
Payments to consultant	
Proof of qualifications	
Other work	
Leisure Review	<ul style="list-style-type: none"> <li>• Review of Leisure Services was undertaken at the request of Assistant Chief Executive (Liz Borthwick).</li> <li>• Report has been issued to Management Team and relevant Portfolio Holders</li> </ul>
Corporate Risk Management	<ul style="list-style-type: none"> <li>• Internal Audit continues to co-ordinate the Corporate Risk Register and reports quarterly to Audit Committee. Attendance at Corporate Risk Management Group.</li> </ul>
Counter Fraud	<ul style="list-style-type: none"> <li>• Internal Audit initiated a successful joint bid to the DCLG (Department for Communities and Local Government) with Surrey and a number of other borough councils for funding (£540k) to strengthen counter fraud initiatives. The Head of Audit is currently working with partners to tackle fraud.</li> <li>• All audit reviews consider fraud risks and a number of specific audit tests have been undertaken to identify potential fraud. However, it remains the responsibility of management to ensure they have systems in place to prevent and detect fraud.</li> <li>• Internal Audit circulates details of frauds identified nationally to make staff aware of risks.</li> <li>• Housing – Audit is working with Housing officers and A2D (Housing Association) to tackle tenancy fraud and application irregularities.</li> <li>• Business Rates – Audit is working with officers to tackle avoidance and evasion of business rates.</li> <li>• Fraud risk assessment completed which identifies key risks for the Council.</li> </ul>

Advice to management	<ul style="list-style-type: none"> <li>• MAT reports – governance, risk and control issues</li> <li>• Staffing / recruitment issues</li> <li>• Alternative service delivery options for several services</li> <li>• Towards a Sustainable Future programme</li> <li>• Project management</li> <li>• Significant procurements / disposal of Council assets</li> <li>• Policies and procedures eg recovery policy, system admin procedures, Treasury Management policy and PCI DSS (Payment Card Industry Data Security Standard) self-assessment</li> <li>• Attendance, advice and support to a number of internal working groups</li> </ul>
Misc	<ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Service Planning and Performance Management (Service, team and Audit staff)</li> <li>• Towards a Sustainable Future – review of Internal Audit service delivery models and saving identified</li> <li>• Exploring shared service opportunities with London Boroughs and Surrey County Council</li> <li>• Training</li> <li>• Liaison with external audit</li> <li>• Corporate management including: Management team meetings, Departmental Management Team, Managers Briefings</li> <li>• Support to the Council's governance arrangements eg contribution to Annual Governance Statement</li> <li>• Representative on Equalities and Diversity Group</li> <li>• Support with election duties</li> <li>• Support service cost issues</li> </ul>