

*ASSURANCE KEY (Columns 2 & 6 of table)
Effective - Controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed - A few specific control weaknesses were noted; generally, however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed - Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory - Controls evaluated are not adequate, appropriate or effective to provide reasonable assurance that risks are being managed and objectives should be met.

Internal Audit Recommendations Status Key (Column 5 of table):

Reporting on the status of whether internal audit recommendations have been implemented or remain outstanding is based on confirmation from Group Heads/ Managers i.e. Internal Audit have not verified this. MAT & Members should note the comments recorded under the Progress column when considering the direction of travel. It seems appropriate that an effective assurance rating for the current RAG is issued only where all audit recommendations have been implemented.

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1. Rent Management System (Bed and Breakfast) November 2019 (Draft) December 2019 (Final)	Major Improvement Needed	Joint Group Heads Community Wellbeing	<p>1. The Housing Options Manager should produce an analysis of Bed and Breakfast debts as a practical tool to be used for :</p> <ul style="list-style-type: none"> • monitoring and reviewing the ongoing debts; • informing the Corporate Debt Group on the 'actual' debt figure for Bed and Breakfast and if there are any limitations in doing so this should be highlighted; • Establishing the cost effectiveness of chasing longstanding debts which the Authority is unlikely to recover which would assist prompt referral for write off. <p>2. The revised Corporate Debt Policy should be updated to include the recovery action that should be taken on Bed and Breakfast accounts and the minimum recoverable</p>	<p>1. Agreed to implement.</p> <ul style="list-style-type: none"> • Monthly Aged Debt reports received from Customer Services and analysis of overall debt and individual client arrears is carried out. This includes both current and former B&B arrears. Figures are presented to the Corporate Debt Group for discussion; • Detailed tracking and monitoring of the rent status of current tenants in B&B and Temporary Accommodation is undertaken on a regular basis by the team and actions agreed, (in particular around the arrears levels); • An exercise to review aged debt levels has been undertaken as part of the Rent Accounting project. A number of write offs or transfers of arrears to the General Fund were agreed based on level of debt and longevity <p>2. Agreed to implement.</p> <p>The revised Corporate Debt Policy has been updated to include an appendix on B&B Arrears and the recovery process/action that should be taken on Bed and Breakfast</p>	Some Improvement Needed

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			<p>amount should be stipulated.</p> <p>3. In line with the revised Corporate Debt Recovery Policy under the section of irrecoverable debts, the Joint Group Heads of Community Wellbeing should prepare a Cabinet report for write offs in excess of £3,000. It would be prudent that any such report takes into account the total write off amount in any financial period.</p> <p>4. The Joint Group Heads of Community Wellbeing together with the Group Head of Commissioning and Transformation should consider eliminating the need to process any form of debt management within</p>	<p>accounts. The minimum recoverable amount has been stipulated. Policy not agreed by Corporate Debt Group as meeting on 10th March did not take place. Next meeting scheduled July and on agenda.</p> <p>3. Partially agreed. Agreed. In the future Housing Options will prepare Cabinet reports for single account write offs in excess of £3,000 (when they occur). Not Agreed. Joint Heads Community Wellbeing consider that they have acted in accordance with their authority limits on individual write offs to date.</p> <p>4. Agreed to implement. Project to implement a new Rent Accounting and Debt Management system solely through the Council's main financial system (Integra) is close to completion. Target go live delayed due to COVID but go live date is now targeted at the end of June.</p>	

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			<p>the Housing Options Access database. Bed and Breakfast debts should only be processed and effectively managed through the use of the Council's key financial system (General Ledger / Integra) to ensure that the amount of debt against an individual's account is actually a true reflection of what they owe.</p> <p>5. The Joint Group Heads of Community Wellbeing and the Group Head of Commissioning and Transformation should establish whether a new system is actually required or whether to wait until Locata have rolled out their Rent Accounting enhancement version to assess if this meets Spelthorne's specified needs. If the Group Heads</p>	<p>The Housing Options Access database will remain available 'read only' for the purposes of reviewing historic information only.</p> <p>5. Agreed to implement.</p> <p>Following an options review exercise, the recommendation was agreed by the Project Board to continue with the development of the Integra solution, which is what was done (see point 4 above).</p> <p>The Locata Rent Management module will be reviewed when phase 2 development of the software is complete and the module is released (and bedded in) to assess suitability. This is likely to be late 2020 at earliest due to delays.</p>	

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			<p>decide to continue to progress this project, then they should:-</p> <ul style="list-style-type: none"> • jointly agree ownership whilst giving consideration as to whether the Project Managers role should be undertaken by an officer with financial expertise and / or housing knowledge; • create a Project Initiation Document (PID) that clearly defines roles and responsibilities; and • establish and set out a clearly defined Business Case that identifies the 'user and the business need' as well as outlining the requirements of implementing a new or an improved system that interfaces with the key financial systems (General Ledger / Integra). 	<ul style="list-style-type: none"> • Project Manager role undertaken by the Deputy Group Head Community Wellbeing • Associated project documentation completed. 	

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			<p>6. The Joint Group Heads of Community Wellbeing and the Group Head of Commissioning and Transformation should consider undertaking a Root and Branch review to streamline the implementation of the finance aspect of the Rent Management (Bed and Breakfast) project.</p>	<p>6. Agreed to implement. (Implementation pending) Up to the middle of March, the Root and Branch team have been working closely with Housing Options to review and map a number of aspects of the service. It was agreed that the finance aspect of Bed and Breakfast was best looked at when the new system was in place.,</p>	
2. Inspectors Function (Customer Services) November 2019 (Draft) Final report to be issued shortly	Major Improvement Needed	Deputy Group Head Customer Relations	<p>1. Documented policies and procedures for the Inspectors function should form part of a Procedure Manual and endorsed by Management. This should give reference to the requirement for regular staff reminders (Customer Services) relating to the Money Laundering Policy.</p> <p>2. To ensure adequate segregation of duties,</p>	<p>1. Procedures were previously updated in January 2019 and further review is planned. In November 2019 staff were reminded of the Money Laundering Policy and an annual reminder will be issued going forward.</p> <p>2. Not agreed for implementation. Following a restructure of the Customer Services team new</p>	Major Improvement Needed

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			<p>Inspectors should not be granted access to apply discounts, exemptions or reliefs or even to bring a property into taxation. In addition, Inspectors should not be granted access to any key processing activity for example additions / deletions / amendments to accounts.</p> <p>3. An annual email reminder should be sent by Management to all staff within the Customer Services Team to remind staff that it is a disciplinary offence to view or amend their own account, family and friends in either Academy or Civica systems.</p> <p>4. As part of the Corporate Counter Fraud contract with Reigate and Banstead, opportunities should be</p>	<p>Inspector posts were created to allow officers to support the team during busier periods as well as inspect properties. This also allows for a greater understanding and enhancement to the role and provides valuable additional resource in the team.</p> <p>3. Implemented in November 2019.</p> <p>4. The Principal NNDR Officer is currently reviewing policies and all reliefs will be reviewed as part of this process. A Small Business Rate Relief</p>	

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			<p>pursued to undertake small business rate and charity rate relief pro-active exercises, as well as exploring other counter fraud measures in the area of tax avoidance and evasion (Business Rates).</p> <p>5. A lone working risk assessment should be completed by management for all 3 Inspectors in compliance with the Management of Health and Safety at Work Regulations 1999.</p> <p>6. Management should consider providing Inspectors with a windscreen mounted satellite navigation system or a windscreen mounted mobile phone holder in their cars to be able to concentrate on driving</p>	<p>exercise commenced in February but the pandemic caused delays in progressing other areas. Recent focus has been counter fraud checks on Business Support Grants applications. Suspected fraud cases may be referred to Reigate where considered appropriate.</p> <p>5. Completed.</p> <p>6. These will be provided to the inspectors only if required.</p>	

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			<p>around the Borough in a safe manner.</p> <p>7. Consistent and proportionate management checks / review should be undertaken of Inspectors activity to minimise the risks of error, fraud and financial losses to the Authority. Any such review should be evidenced.</p>	<p>7. Given that additional management positions have been filled, reviews of inspector's visits will be checked by senior officers. The risk of fraud is considered low by Management as the inspections are raised by another officer and once the inspection is completed, the associated work item could be actioned by another officer. Increased evidencing will be considered going forward.</p>	
<p>3. Commercial Asset Acquisitions and Investments</p> <p>September 2019 (1st Draft)</p> <p>July 2020 (Final)</p>	Some Improvement Needed	<p>Group Head Regeneration & Growth & Group Head Corporate Governance</p>	<p>(The audit review was primarily aimed at providing assurance on asset acquisitions completed as well as highlighting any improvement actions should future opportunities arise)</p> <p>1. With regards the appointment of Professional Advisors, where the procurement process followed falls outside the</p>	<p>1. Agreed to implement.</p>	Some Improvement Needed Corporate Risk Register

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			<p>requirements of Contract Standing Orders (regarding compliance with thresholds for seeking alternative quotes/undertaking a tender process) then the rationale and explanation for the decision should be clearly documented, including evidenced approval/noting from Cabinet.</p> <p>2. We recommend that revised arrangements for decision making in respect of Council Property and the role of the Property Investment Committee (PIC) as approved by Cabinet in November 2019 are subject to periodical monitoring and review.</p>	<p>2. With the change in administration there will be a review of the Constitution and governance issues which will address the required action.</p>	
4. Property Development June 2020 (Draft)	Some Improvement Needed	Group Head Regeneration & Growth	1. With regards the appointment of Professional Advisors / Consultants, where the procurement	1. Agreed to implement. A procurement exercise is also underway to ensure greater transparency and value for money can be demonstrated.	Some Improvement Needed

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July 2020 (Final)			<p>process followed falls outside the requirements of Contract Standing Orders (regarding compliance with thresholds for seeking alternative quotes/undertaking a tender process) then the rationale and explanation for the decision should be clearly documented, including evidenced approval/noting from Cabinet.</p> <p>2. For future property acquisitions there should be documented evidence to confirm the required group (Property Investment Committee, PIC) receives recommendations from officers with regards to potential new acquisitions for development purposes and also to support approval of the new acquisition</p>	<p>2. Agreed to implement.</p>	Corporate Risk Register

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			opportunity to be referred to Cabinet for decision.		
5. Planning - Development Management November 2019 (Draft) December 2019 (Final)	Effective	Group Head Regeneration & Growth / Planning Development Manager	<p>1. Planning Fees recorded on the Uniform system should be periodically reconciled against income received in the Councils main financial system, Integra E-Series on a regular basis. It may be appropriate for detailed reconciliation exercises to follow the high level income review currently undertaken.</p> <p>2. The Development Management team in liaison with Accountancy should also assess the benefits of undertaking a reconciliation between additional services provided and income received.</p>	<p>1. Agreed and Implemented.</p> <p>2. Agreed and Implemented.</p>	Effective

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6. Brexit Readiness January 2020 (Draft) February 2020 (Final)	Effective	Group Head Commissioning and Transformation	<ol style="list-style-type: none"> 1. The Audit Committee and Cabinet should receive regular briefings on the Council's preparations for Brexit. 2. The Parking Services Operational Manager should request more detailed assurances from the provider of the Flowbird Parking system about access to Council data in the event of a no-deal Brexit. 	<ol style="list-style-type: none"> 1. Reporting may take place at the end of the year once outcomes of negotiations become clearer. 2. Completed. The company have advised that there should be no impact on back office services and this includes any personal data. 	Effective Corporate Risk Register
7. GDPR March 2020 (Draft) The final report will be issued shortly.	Major Improvement Needed	Group Head Commissioning and Transformation / Data Protection Officer	<ol style="list-style-type: none"> 1. (Data Privacy Governance) Senior Management (in particular Group heads) should actively engage with data protection matters within the Council. We recommend a data protection workshop to be tailored and delivered to this audience to highlight current and potential risks associated with not adhering 	<ol style="list-style-type: none"> 1. It is acknowledged that DP is raised regularly by the DPO at senior management level. This recommendation can be monitored further as part of that mechanism. 	Major Improvement Needed

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			<p>to set tasks and deadlines, which results in non-compliance. Furthermore, we recommend more active involvement from Senior Management to ensure engagement from all service areas. This can be achieved through internal communications with a deadline incorporated for completing outstanding tasks.</p> <p>2. (Data Privacy Governance) As stated in the previously issued Internal Audit Report in May 2018, to enhance data protection activities and stakeholder engagement, a committee of senior managers affected by the GDPR who can ensure that the necessary work is completed, should be established. Alternatively, Data Protection Champions</p>	<p>2. Agreed in principle but dependant on take up of DP Champions and Managers allowing them time to act as Champions. Managers are ultimately responsible for undertaking data protection activities.</p>	

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			<p>can be appointed within each service areas. These Data Protection Champions will be the point person within each of their own service areas for all data protection matters and will communicate with the DPO on a regular basis to raise any issues and provide an update of progress in their service area.</p> <p>3. (Policies and Procedures) The title of the pop-up banner should be amended to reflect the use of cookies on the website. The banner should provide notice to users of the cookies that are being deployed and enable users to set their own preferences to the use of non-essential cookies. Furthermore, the 'hide this message' statement should be replaced with a banner</p>	<p>3. Agreed and the website host has been approached to make the required updates.</p>	

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			<p>which allows options for opting into non-essential cookies, although, this can remain if consent for non-essential cookies is separately sought. The banner should also provide a highlight of cookies being deployed on the website.</p> <p>4. (Policies and Procedures) The data protection policy should include references to the separate procedural documents such as the 'Data Incident Procedure', 'Subject Access Requests Process' and 'Handling GDPR Rights' and 'Records Management Policy' so staff are aware of the existence of such procedures.</p> <p>5. (Records of Processing Activities and Information Asset Registers) Once the Information Asset Registers</p>	<p>4. Agreed</p> <p>5. Management Team have previously outlined their support for the IAR exercise to be prioritised, but COVID-19 has put additional pressures on</p>	

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			<p>are complete, project plans can be updated with appropriate timelines. Therefore, we recommend that the IAR exercise is prioritised by service areas as an imminent need in order to further address wider gaps and requirements and prevent further delay in ensuring compliance overall. Further review of fields in the Information Asset Register may be undertaken to confirm relevant categories are included.</p> <p>6. (Records of Processing Activities and Information Asset Registers) Where special category data or criminal or conviction offence data is processed, the following fields should be included in addition to the above:</p>	<p>Services so further delays are possible. Review of fields in the IAR have confirmed relevant categories are included.</p> <p>6. Not agreed as current arrangements deemed sufficient. Retention periods are given in IARs. If data is not erased in line with retention period then this is listed as a Gap in Control in the IAR.</p>	

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			<ul style="list-style-type: none"> • Link to retention and erasure policy; • Whether personal data is retained and erased in accordance with the policy document; and • Reasons for not adhering to the policy document (if applicable). <p>7. (Fair and Lawful Processing) To document all relevant lawful bases for processing in one place. The lawful basis for each processing activity should also be reviewed whilst these are being updated.</p> <p>8. (Fair and Lawful Processing) To initiate a process where consent is managed and logged, additionally and specifically for the use of cookies (note earlier recommendation).</p>	<p>7. Not agreed as current arrangements deemed sufficient (lawful basis for each asset is given in the Information Asset Registers and reviewed yearly).</p> <p>8. Consent is managed and logged by the few services who rely upon consent.</p>	

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			<p>9. (Staff Training and Awareness) Training or workshops should be delivered specifically to senior management to emphasise risks and general data protection matters. Bespoke training should also be made mandatory for specific service areas.</p> <p>10. (Staff Training and Awareness) The Council should create and maintain a record of evidence showing completion and pass rates of GDPR training and this should be monitored and reviewed on a regular basis. A deadline for completing training should be set. This can be phased into 3 sections; tailored training to senior management; general data protection training for all staff (online) and tailored</p>	<p>9. Not agreed as current training arrangements deemed sufficient</p> <p>10. Not agreed as current training arrangements deemed sufficient</p>	

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			<p>training to specific services and specialist areas.</p> <p>11. (Data Breach) To further enhance the contents of the Data Incident Procedure document, the following should be incorporated;</p> <ul style="list-style-type: none"> • Description of a formal process for reporting a high-risk breach to the supervisory authority (the Information Commissioner's Office) within the 72 hours window. <p>12. (Data Breach) A standardised process should be introduced for reporting incidents to the DPO and all other methods of sporadic communication (verbal and email) should be stopped. An incident reporting form should include various</p>	<p>11. Not agreed as current arrangements deemed sufficient. The ICO gives a comprehensive guide to reporting a breach.</p> <p>12. Not agreed as current arrangements deemed sufficient</p>	

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			<p>categories as referred to in audit report.</p> <p>13. (Privacy by Design and Default & DPIA) A Data Protection Impact Assessment (DPIA) procedure and a register of DPIAs should be put in place. This will allow the council to review areas that have been given deep privacy consideration, involve key stakeholders in the council and act as a source of evidence for complying with wider obligations.</p> <p>14. (Third Party Compliance) A log needs to be developed to manage and review all third parties, processors and contracts. The log should include the following:</p> <ul style="list-style-type: none"> • Name of third-party supplier; 	<p>13. Agreed and advised a DPIA procedure is in place; a register has commenced.</p> <p>14. A spreadsheet of the contracts within the Council has been compiled to ensure they are GDPR compliant and variations logged. With new contracts all of the terms are GDPR complaint as a matter of course so a separate log is not considered to be a requirement. Furthermore a</p>	

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			<ul style="list-style-type: none"> • Whether they are joint controller, processor or sub processor; • Priority/criticality level for the business; • Date sent and received; • Scheduled actions if applicable; and • Dashboard/overview. <p>15. (Third Party Compliance) A procedure for due diligence should be established to consider the data privacy and security posture of existing as well as potential vendors/processors. This should also be considered as part of the on-boarding and monitoring processes.</p> <p>16. (Third Party Compliance) A defined process for auditing third parties and processors needs to be established and incorporated into the log.</p>	<p>contracts register is already held.</p> <p>15. Agreed</p> <p>16. Individual Service areas are responsible for contract management and monitoring compliance with all contract terms.</p>	

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8. Building Control January 2020 (Draft) February 2020 (Final)	Some Improvement Needed	Building Control Manager	<ol style="list-style-type: none"> Effective reconciliations should be performed at least monthly between Building Control income recorded on the Uniform system and the Council's Main Financial System (Integra) with any discrepancies investigated promptly. The Building Control Manager should explore scope for increased automation as part of any future review of income processes. 	<ol style="list-style-type: none"> Agreed in principle and this is now in place. Agreed. Building Control are liaising with Finance and ICT to pursue increased automation although there are compatibility issues across systems. Any further system improvements will continue to be explored. 	Some Improvement Needed
9. Cash Collection & Banking August 2019 (Draft) September 2019 (Final)	Some Improvement Needed	Chief Accountant	<ol style="list-style-type: none"> The Accountancy Team should complete the development of procedural guidance on how to perform reconciliations relevant to cash and banking tasks. This document should be maintained in a network drive accessible to relevant staff and be subject to 	<ol style="list-style-type: none"> Agreed and Implemented. 	Some Improvement Needed

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			<p>annual review by management.</p> <p>2. The procedural guidance in place relevant to cash and banking should be reviewed on at least a biennial basis and updated where required to include current working practices, relevant systems used and all of the key processes undertaken by the Accountancy Team. In addition, a version control and/or revision chart should be included within the existent guidance detailing when these were last reviewed and their next review date.</p> <p>3. There should be segregation of duties in place between the Officer processing cash and cheques on to the ACR System and the Officer reviewing and signing off the</p>	<p>2. Agreed and Implemented.</p> <p>3. Agreed and Implemented.</p>	

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			<p>Daily Control Spreadsheet. This represents a fundamental control measure.</p> <p>4. Consideration should be given to enhancing the Cashbook reconciliations spreadsheets and/or documents to include the name of the Officer performing the reconciliation, balances, variances (if any) and the date the reconciliation was undertaken. Reconciliations should be dated and signed off by an independent Officer and/or Manager as having been reviewed.</p> <p>5. The Money Laundering Policy should be subject to annual review. The Head of Corporate Governance, who acts as the Money Laundering Reporting Officer</p>	<p>4. Agreed and Implemented.</p> <p>5. Agreed</p>	

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			(MLRO), should ensure the Money Laundering Policy is reviewed and, where necessary updated to ensure it reflects current practice. Evidence of such reviews and/or updates should be reflected in the policy through version control or a revision chart embedded in the Policy document.		
10. Treasury Management June 2020 (Draft) July 2020 (Final)	Some Improvement Needed	Chief Accountant	<ol style="list-style-type: none"> As part of decision making, Treasury Management officers should consistently apply prudence by ensuring evidence is provided in the form of actual monies transferred into the Council's bank account instead of placing reliance and trust on 'anticipated monies' being transferred from agents / 3rd parties. In view of the ongoing and increased Treasury 	<ol style="list-style-type: none"> The approach taken by the TM team is usually prudent, with trades not committed until received as a matter of practice. The incident noted was because of an assurance from the rent agent, which was not fulfilled. Management have advised that further mitigation measures have also been put in place. Agreed to implement by 31 December 2020. Periodic 	Some Improvement Needed Corporate Risk Register

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			<p>Management activity, it seems prudent that the Chief Accountant (or other independent officer) carry out periodical management spot checks to incorporate high value transactions. The spot checks would enhance the control environment by confirming that transactions comply with limits set and a prudent approach is taken prior to making trade decisions thereby reducing the risk of re-occurrence.</p> <p>(This is a re-recommendation from 2018/19).</p>	<p>management checks will be incorporated when a new Chief Accountant is in place. However, issues that have arisen have been because of circumstance such as work pressures and limited staffing availability.</p>	
11. Creditors March 2020 (Draft) June 2020 (Final)	Some Improvement Needed	Chief Accountant & Creditors Manager	<p>1. Finance should update the Integra procedure notes and the General Creditors Payment Run Procedures to confirm they are in line with current working practices. Procedures should then be reviewed and updated</p>	<p>1. Agreed to implement by 31 August 2020.</p>	Some Improvement Needed

Appendix to Annual Audit Report (July 2020 –PT)

Audit Review & issue date of draft / final report	Assurance Level granted at time of audit * (see assurance key page 1)	Accountable Officer	Audit Recommendations	Progress comments i.e. 'Implemented', or 'Outstanding' # (see status key page 1)	Current RAG rating
			<p>where necessary at least every two years.</p> <p>2. A report of new suppliers and amendments to existing supplier data should be run from Integra on a monthly basis. This report should also show the officer that processed the update or change.</p> <p>3. Checks should be carried out by the Accounts Payable Officers or an independent Officer on all entries in the supplier amendments report (ensuring that officers do not check their own changes and therefore allowing for segregation of duties) to confirm that changes are valid and documentation to support the change has been retained.</p>	<p>2. Agreed and implemented.</p> <p>3. Agreed and implemented.</p>	

Appendix to Annual Audit Report (July 2020 –PT)

Audit Review & issue date of draft / final report	Assurance Level granted at time of audit * (see assurance key page 1)	Accountable Officer	Audit Recommendations	Progress comments i.e. 'Implemented', or 'Outstanding' # (see status key page 1)	Current RAG rating
12. Housing Benefits June 2020 (Draft & Final)	Effective	Joint Group Heads Community Wellbeing	There are no recommendations arising from audit work undertaken.	Not Applicable.	Effective
13. Payroll (July 2020) Interim Draft Report	To be confirmed	Group Head Commissioning and Transformation/ Human Resources Manager	All manual records that support the administration of core HR and Payroll processes should be scanned and maintained electronically to ensure continuation of service delivery. The HR Manager should explore the options of a Document Management System.	This recommendation is being discussed with Management.	To be confirmed
14. Business Rates (July 2020) Interim Draft Report	To be confirmed	Deputy Group Head Customer Relations	<ol style="list-style-type: none"> 1. Ratepayers should complete a Refund Request form when applying for a rates refund and the document should be scanned into Civica. 2. Write offs should be undertaken promptly and in accordance with the Corporate Debt Policy. 	<ol style="list-style-type: none"> 1. The refund request application form will be requested in certain circumstances where Management deem it to be necessary (for higher value amounts). 2. Implemented and underway. 	To be confirmed

WORK IN PROGRESS: The following assignments have commenced and are currently underway (some ongoing). Audit recommendations for these assignments (if arising) including assurance opinion ratings will be reported to a future Audit Committee (November 2020).

1. Procurement – A follow up piece of work to assess and verify implementation of previous audit recommendations, as well as highlighting any key matters arising from recent audit analysis of Suppliers and payments.
2. Communications Audit – Consideration of potential risks and scoping for this review has commenced. The audit has been deferred to July/August at the request of Management due to COVID-19.
3. COVID-19 – Assurance and verification work on Business Support Grants will consider associated risks and review control processes operating to validate applications and grant payments, including counter fraud checks and assurance reporting in accordance with Government guidance/framework.
4. COVID-19 – Advisory work, monitoring the Council's Pandemic response, identification and assessment of risks emerging and evolving.

Follow Up Audit Recommendations	Managers are requested to advise on the status of audit recommendations issued to assess implementation. This should encourage greater management ownership of control systems and risk mitigation. Previous recommendations are also followed up at every audit review (where applicable) and as part of the periodical audit reporting process.
Assurance templates (Risk and Control matrix)	Internal Audit have continued to encourage Managers representing the first line of defence in the overall assurance framework to provide assurance that controls in their functions/services are operating effectively. Where considered appropriate assurance templates have been populated highlighting key risks within the function and Managers asked to confirm that controls are operating as described. Whilst Internal Audit have facilitated this process which supports risk based auditing and continue to encourage Management input, ownership of controls and effective risk management remains with Management.

Other work including corporate tasks

Statutory requirements / Audit Committee / External Audit	<ul style="list-style-type: none">❖ Reporting to Audit Committee three times a year (9 reports per year) includes Internal Audit activity❖ Annual Audit Plan preparation for 2020/21 in liaison with Group Heads and Managers, with inclusion of key risks and audit objectives for planned assignments❖ Meetings with the Audit Committee Chair and Portfolio Holder for Finance/Audit❖ Following up and responding to actions/ questions raised by Audit Committee members
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	<ul style="list-style-type: none"> ❖ Input to Audit Committee Training provided by external trainer in July and October 2019 ❖ Annual Audit Opinion & input to Annual Governance Statement ❖ Liaison meetings with the External Auditors (BDO) to discuss working approaches, audit findings and key timelines. ❖ Audit Planning including timings, allocations, scoping and prioritisation review ❖ Preparation of audit briefs, terms of reference and work programmes ❖ Supervision and guidance including quality review process for every audit review undertaken ❖ Exit Meetings with management and finalising audit reports ❖ Responding to Senior Management requests to defer planned audit assignments / reduce scope ❖ Escalation where necessary to enable finalisation of work
Corporate Risk management	<p>The Internal Audit Manager has coordinated the Council's Corporate Risk Register which represents the Council's most significant risks and reports regularly to Audit Committee and Cabinet.</p> <p>The Chief Finance Officer and Internal Audit Manager worked closely with a Risk Management Trainer in the early part of 2020 to develop and refresh the corporate risk management policy. A revised draft policy has been prepared, for consideration by the Audit Committee. To ensure alignment with the revised policy, greater focus is being given to identifying and assessing fewer corporate risks, specifically considering and assessing those risks that may impact on the achievement of the Council's Corporate priorities. In light of this, a proposed new format for the Corporate Risk Register has been recommended applying 'Housing' as a mock risk example. This has been shared with Members of the Audit Committee in January, subject to further consideration and discussion. Further development of this area will take into account the revised Corporate plan.</p>
Corporate Counter Fraud	<ul style="list-style-type: none"> • Collate and monitor quarterly fraud returns for submission to Surrey County Council. Payback/returns are continuing to be achieved from the counter fraud work and Spelthorne's cumulative fraud returns from the start of the Surrey Counter Fraud Partnership in January 2015 up to March 2020 equate to £2,611,628 (represent financial savings to the public purse based on Cabinet Office estimated figures) of which quantifiable cashable savings for Spelthorne exceed £492,000. • Spelthorne is procuring counter fraud resource/services from Reigate and Banstead to target areas which are likely to generate greater financial payback (business rates and housing) and a further growth bid has been secured from 2019/20. In accordance with the procurement process, the Internal Audit Manager prepared a business case to continue procuring counter fraud resource until 2021/2022. Collaborative working has produced positive outcomes particularly in Housing with enhanced verification checks for new homelessness claims. Positive results were publicised to serve as a deterrent. Meetings have taken place to encourage greater focus on social housing fraud going forward and we wish to work closer with social housing providers to specifically target this issue. There have also been wider benefits for Spelthorne's Housing team with

	<p>opportunities to enhance learning and skills in this area, which has been positively embraced. Reigate are also assisting on Council Tax support and benefit investigations, given the DWP'S direction on joint working. Pro-active fraud initiatives relating to Business Rates (such as the Destin Solutions hub for small business rate relief) continue to be encouraged.</p> <ul style="list-style-type: none"> ❖ External groups are attended with Surrey Partners including the Surrey Counter Fraud Partnership (SCFP). This enables the sharing of knowledge and best practice approaches in tackling housing fraud/business rate avoidance and evasion, as well as opportunities to participate in joint data sharing exercises in the fight against fraud. Officers are encouraged to attend relevant sub-groups such as the Housing Tenancy forum. ❖ Internal Audit, Finance and other teams circulate details of frauds and scams identified nationally or locally to make staff aware of risks and asses their impact as necessary. ❖ All audit reviews consider fraud risks. However, it remains the responsibility of management to ensure they have systems in place to prevent and detect fraud. ❖ The Internal Audit Manager gave a presentation at the September staff meetings on the Confidential Reporting Code (Whistleblowing Policy), with a view to raising staff awareness of the policy and highlighting correct reporting channels for raising serious concerns (including fraud and irregularity as well as several other categories). Liaison with the Communications team took place to ensure the latest Confidential Reporting Code (Whistleblowing) poster is publicised across staff noticeboards and easily accessible electronically. ❖ The Internal Audit Manager worked closely with Reigate and Banstead Council to organise and deliver fraud awareness training in January 2020 for high risk public fraud areas such as Housing, Benefits, Council Tax and Business Rates. This highlighted the opportunities (financial and wider social benefits) of embracing counter fraud measures and the training was well received by internal teams and Housing Providers such as A2D. ❖ The Anti-Fraud, Bribery and Corruption Strategy is reviewed annually
Internal Audit Charter	In compliance with Public Sector Internal Audit Standards (PSIAS) a thorough review of the Audit Charter was undertaken and approved by Audit Committee in July 2019. This took into account the CIPFA Publication of April 2019 on the 'Role of the Head of Audit'.
Raising Awareness of the Internal Audit function	The Internal Audit Manager attended a MAT plus meeting in June 2019 to raise awareness of the role of Internal Audit.

Contractor Resource Management	Commissioning of audit assignments with the service provider under the Apex Framework provides access to both generalist and specialist skills such as ICT and Contract auditing. Where Auditors have conducted similar reviews at other local authorities any best practice can be shared. Performance monitoring is undertaken and there are established mechanisms for contractor feedback.
Audit advice to management & Liaison (responsive and pro-active work)	<ul style="list-style-type: none"> ❖ Attendance at working groups to offer advice where appropriate on risk and control implications, (Corporate Risk Management Group, Corporate Debt Group, ICT SIG, Property Management Software Implementation Project). ❖ Property Development Unit –offered advice regarding implementation of the new Property Management software system ❖ Root and Branch review for Direct Debits - advised on risk and control implications for processes being proposed ❖ Asset Governance – acknowledged proposed revision to delegations and decision making process /comments ❖ Business Rates relating to payment processes for high value transactions ❖ Insurance/stolen vehicle ❖ Secure Workspace – Document Sharing software ❖ Confidential advice to some service areas/special investigatory work ❖ Whistleblowing Process ❖ Various MAT reports – governance, risk and control issues ❖ Discussions with the Chief Accountant on the budget process ❖ Discussions with Customer Services on suspected Money Laundering case ❖ Responses to Committee Services on the Benchmarking Tool assessment for the Whistleblowing Policy ❖ Redmond Review – input to responses to Questions ❖ Attended meetings with Finance and Assets and provided advice on proposals for setting up a new bank account for rent collection, reviewed alternative options paper setting out considerations for risk and control implications ❖ Insurance – An advisory piece of work was undertaken at the request of Management which gave consideration to current risks/areas that would benefit from further mitigation measures and an assurance template was used to inform this work ❖ COVID-19 – Advice was issued to the Payments team following the move to remote working, with a view to ensuring key control processes relating to payment runs are not unduly compromised in the new working environment ❖ COVID-19 – Advice was issued to Customer Services in preparation for the Council Tax Assistance scheme
Internal Investigations	<ul style="list-style-type: none"> • Following a special investigation led by Internal Audit, a number of improvement measures aimed at strengthening the control environment and minimising financial losses have been highlighted to Senior Management, thereby reducing future fraud and other risks. • Following a Management led investigation, advice has been provided to the Section 151 Officer regarding enhancements to the associated control environment.

Miscellaneous	<p>Various as summarised below:</p> <ul style="list-style-type: none"> ❖ Attendance at Corporate training sessions ❖ Continuous Professional Development, training and support for professional study, auditing seminars, CIPFA Financial Management Code training session ❖ Service Planning ❖ Performance Management / 1-1's ❖ General/team management (staff support/ admin/GDPR Compliance Plans/ Health and Safety/ Budget/Growth Bid submission for audit resource and collation of information requested by Management Team for audit benchmarking purposes/ /Legal Liaison/ Business Impact Assessment & Service Continuity Planning/Health and Safety and Homeworking checklist / information requests relating to COVID-19 etc.) ❖ MAT feedback meetings with the Deputy Chief Executive (s.151 Officer) and Chief Accountant ❖ A change to the positioning and reporting lines of the Internal Audit function took place from February 2020 (reporting directly to the Head of Corporate Governance) ❖ Relocation to the Corporate Governance Office and attendance at team meetings ❖ Liaison meetings with the s.151 Officer on audit matters as part of new 'dotted reporting line' ❖ Secure disposal of manual information to help reduce storage and review of working practices to reduce paperwork ❖ Corporate staff meetings ❖ Marketplace event for Councillors
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