

The role of **Internal Audit** is to provide independent **assurance** that an organisation's risk management, governance and **internal** control processes are operating effectively. An assurance opinion (key) is attached to Internal Audit reports and recommendations are made based on the traffic light system (Red, Amber, Green).

*ASSURANCE KEY (Column 2 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.	
~ RECOMMENDATIONS (Column 4/5 of table):	
High	
Urgent action required to reduce exposure to high risk/ major adverse impact on achievement of organisational objectives.	
Medium	
Action required to avoid exposing the organisation to significant risks.	
Low	
Desirable action to enhance control, improve value for money and minimal impact on organisational objectives.	

Internal Audit Recommendations Status Key (Column 6 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. An 'open' audit is where issues or recommendations raised need to be addressed, unlike a 'closed' audit.

Audit Review	Assurance Level granted at time of audit * (see assurance key page 1)	Accountable Officer	~Audit Recommendations or issues/observations arising Red (Column 4) / Amber or Green (Column 5)	#Current Status of recommendations /implementation
<p>1. Commercial Assets and Investments. This incorporates a review of Blue Box Software (commercial income strand)</p> <p>All findings discussed with Property Development Manager, and some areas raised with Chief Accountant and Chief Finance Officer.</p> <p>Draft report - July 2022.</p>	<p>Some Improvement Needed</p>	<p>Property Development Manager and operational lead for Assets until new Group Head appointed</p>	<p>1.Consideration be given to transferring all the accounting actions regarding rental income currently undertaken within “Bluebox” to the Integra financial system. Given the major system upgrade of Integra to Centros currently taking place, this would appear to be a timely opportunity to consider this change.</p> <p>2.Should recommendation 1 be adopted then the resilience risk of only one person understanding the Bluebox software is significantly reduced. Should recommendation 1 not be adopted, consideration to be given to expanding the knowledge base within the Property and Development Team so that more than one person</p>	<p>Open Audit. Management responses are being considered/provided.</p>

				<p>has a working knowledge of the Bluebox software.</p> <p>3.Management to review and increase password security settings to enforce stronger passwords within Bluebox in line with the Council Password Policy.</p> <p>4. Ensure the training of a deputy to enable key administrative tasks in the event of absence of the Property Accounts Manager. Sufficient process documentation for Bluebox will ensure continuity of service in the event it is necessary.</p> <p>5. To introduce a documented regular review of user access permissions to Bluebox and ensure this is performed at least on an annual basis.</p> <p>6. It is recommended that one of the user accounts in Bluebox is amended, to reduce the risk of malicious users attempting to gain</p>	
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				<p>access to Council systems and data via the account.</p> <p>7.It is recommended that Assets liaise with the supplier of Bluebox (Trace) to gain further assurance relating to backup and disaster recovery. Specific details have been provided by Internal Audit.</p>	
<p>2. Property Development</p> <p>Draft report – June 2022</p>	<p>Some Improvement Needed</p>	<p>Property Development Manager</p>	<p>A significant issue relates to the ongoing adverse impact of delayed property development schemes and steeply increased costs and inflationary pressures relating to construction /materials/labour/supplier in terms of</p> <ul style="list-style-type: none"> (i) Financial viability of schemes (ii) Council’s budgetary and financial position/sustainability (iii) Shortfalls in meeting Housing development targets (iv) Insufficient affordable housing provision and delivery of programme (v) Housing need not met directly impacting achievement of corporate priorities. 		<p>Closed Audit.</p> <p>Whilst there are significant risks and issues highlighted in column 4, these are largely influenced by wider externalities such as the macroeconomic environment, as well as some being more politically driven. On this basis, and acknowledging the risk mitigation measures already underway, there are no specific audit recommendations arising from the review.</p>

<p>3.Treasury Management</p> <p>Findings discussed with Deputy Chief Accountant.</p> <p>Draft report - July 2022.</p>	<p>Some Improvement Needed</p>	<p>Deputy Chief Accountant and Chief Accountant</p>		<p>1.Treasury Management Policy Statement to be reviewed and updated and made available for public inspection.</p> <p>2.To ensure that the authorised limit for external debt and operational boundary values are clearly and accurately reported and appropriately approved.</p> <p>3.All relevant Prudential Indicators (including actual results) to be reported in line with the requirements set out in Treasury Management Practice 6.</p> <p>4.Full evidence of transaction authorisations should be maintained. Transaction authorisation processes to be reviewed and Treasury Management Practice 5 to be updated to ensure that the dealing arrangements accurately reflect the position in practice, while also ensuring that an</p>	<p>Open Audit. Management responses are being considered/provided.</p>
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				<p>appropriate segregation of duties is maintained.</p> <p>5.To ensure that investment monitoring reports are produced in accordance with the requirements of Treasury Management Practice 6. Alternatively, TM Practice 6 to be updated to ensure that the monitoring arrangements reflect a realistic frequency of producing and circulating these reports, whilst not compromising control.</p> <p>6.Weekly meetings already take place between the Deputy Chief Accountant, the Chief Accountant and Deputy Chief Executive to discuss Treasury Management activities. Formal meeting records to be maintained, in particular in relation to decisions being made for investment / borrowing requirements.</p> <p>7.As a good practice point, it may be beneficial for <u>all</u></p>	
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				<p>relevant benchmarking figures to be included in Treasury Management committee reports to provide greater transparency and clarity.</p> <p>8.Consideration to be given to making the internal issues log more structured, in particular around categorising the types of issues being identified in order to quickly and clearly highlight recurring issues and trends.</p>	
<p>4.Creditors</p> <p>April 2022 (Final report)</p>	<p>Some Improvement Needed</p>	<p>Chief Accountant & Creditors Manager</p>	<p>1.Job descriptions should be reviewed and updated to reflect the current post holder’s role and responsibilities within the Creditors team.</p> <p>2.To ensure the validity of New Suppliers, the Systems Accountant / Creditors and Income Manager should collaborate with ICT to incorporate a sentence into the Granicus Forms (Approval for a new supplier in Integra) encouraging managers to undertake some basic due</p>		<p>Open Audit.</p> <p>1.Agreed for implementation by September 2022 to coincide with restructuring of the team.</p> <p>2.Agreed for implementation by September 2022.</p>

			<p>diligence checks prior to authorising the setup of a New Supplier in the main financial system.</p> <p>3.The Chief Accountant should send a reminder to his team to ensure that all authorised signatory emails are kept and filed appropriately with each BACS payment run.</p> <p>4. A report identifying potential Duplicate Payments prior to each payment run should be retained as evidence of review. A quarterly spot check should be conducted by the Systems Accountant / Creditors and Income Manager to ensure this is being carried out. If this is evidenced, it will ensure it is available for review by the Chief Accountant. (This recommendation was also raised previously as part of the 2020/21 audit)</p> <p>5.The Systems Accountant / Creditors and Income Manager should ensure that duplicate payments are recovered in a timely manner and the duplicate payment spreadsheet</p>		<p>3.Actioned and implemented March 2022.</p> <p>4.Implemented</p> <p>5.Implemented</p> <p>6.Not implemented</p>
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			<p>is current and updated promptly.</p> <p>6.The Chief Accountant should review the relaxation of operational controls in relation to pre-signed cheques and consider whether the issuing of pre-signed cheques should continue to form part of a future payment method made to Suppliers (based on current business need). Any proposed decision should be raised with the Chief Finance Officer for approval.</p> <p>7.The authorisation process of credit card transactions should be reviewed and strengthened whilst aligning with the need for operational flexibility. Line managers should either authorise and / or spot check credit card transactions for reasonableness incurred by their staff. This area should be reviewed in tandem with any existing checks undertaken by the Finance Team. (This recommendation was also raised previously as part of the 2020/21 audit)</p>	<p>10.The Chief Accountant should authorise the monthly and annual Purchase Ledger reconciliations produced by the Systems Accountant / Creditors and Income Manager in a timely manner to ensure that the reconciliations generated are adequately supported, valid and accurate.</p>	<p>7/8/9. Agreed and implemented with a new authorisation process for credit card use from April 2022.</p> <p>10.Agreed and implemented March 2022.</p>
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			<p>8.The Integra system should be updated in a timely manner to reflect the credit card expenditure that has taken place and all supporting documentation should be appropriately attached. This ensures key financial reconciliation exercises to the general ledger are more effective.</p> <p>9.Supporting documentation and a completed Granicus form for all expenditure incurred should be submitted by the credit card holders in a timely manner. The Finance team can advise of cut-off timeframes.</p>		
<p>5. Covid related workstream - Business Support Grants (Phase 2 of grants administration)</p> <p>January 2022 - Final Report</p>	<p>Some Improvement Needed</p>	<p>Deputy Group Head Customer Relations</p>		<p>1.Going forward for future grants, an exception report should be produced to ensure all potential duplicates are identified and validated in advance of the actual grant payments being generated. Adequate authorisation controls should also be consistently in place particularly as this was reported as a contributing factor for the</p>	<p>Closed – no further action proposed.</p> <p>1.The Service Manager considers the controls now in place to be sufficient to minimise any loss of public funds. All apart from one Duplicate payment was either returned to the Council or offset from future grant payments. A single spreadsheet contains all the grant payments, and no</p>

				<p>numerous duplicate payments being generated in the first instance.</p> <p>2.Regular reconciliation processes will provide an opportunity to review whether the spreadsheet showing duplicate payments refunded by businesses aligns with what has been received and posted on the Council's financial system (Integra).</p> <p>3.A template supplied by BEIS provided the mechanism whereby Local Authorities can refer their uncollectable debt either through error, non-compliance or fraud.</p> <p>4.At the time of the audit, plans by Customer Services to produce a post-event assurance plan and complete a financial reconciliation once all grant payments have been issued were acknowledged.</p>	<p>further payments are allowed to be processed where the FS unique number has been used previously – unless expressly granted by the Deputy Group Head of Customer Relations only.</p> <p>2.Not agreed. Because of offsetting and the fact that returned money could be actioned in more than one way this reconciliation will be very difficult. A spreadsheet is retained of the actions regarding all duplicated payments.</p> <p>3.Fraud cases and other future anomalies discovered would always be reported to BEIS / Communities where recovery has not proved successful or successful but where underlying fraud is suspected.</p> <p>4.This is an acknowledgement by Internal Audit and not a recommendation.</p>
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<p>6.Revenue Streams</p> <p>Final report – July 2022</p>	<p>Some Improvement Needed</p>			<p>1.The formation of a finance workshop with fees and charges being a key focus area for discussion to actively encourage budget holders to take greater ownership and accountability for their areas. A workshop forum may provide further opportunities for promoting innovative ideas, outline options for new income generating areas and review strategies for existing fee income sources to promote sustainability and protect ongoing viability of service provision.</p> <p>2. Budget managers to be encouraged to undertake training to raise awareness and understanding of business and financial acumen skills and strengthen competencies in this area, including financial management and financial performance.</p>	<p>Open Audit. As part of discussions with MAT to discuss the 2023/24 budget process, the audit recommendations can be further discussed.</p> <p>Target date for fees and charges committee is September 2022.</p> <p>1 & 2. In terms of approach, the Chief Accountant considers that MAT must have an input and push this down to Group Heads rather than Finance driving it up through the organisation.</p> <p>Continuous Improvement Team to have input in terms of how we use operational strategies to influence price, customer base and frequency of spend to increase/maintain/maximise revenue streams.</p> <p>Continuous Improvement Team are working more closely with Finance to review opportunities for</p>
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				The Chief Accountant should explore suitable training approaches to deliver this need (whether in-house or supplemented with external training).	efficiencies across Service areas.
7. Committee System Final report – March 2022 Summary report to Policy and Resources Committee - April 2022	Major Improvement Needed	Collective ownership between Members, the Council’s Management Team and the Monitoring Officer.	1. It is acknowledged that a Council wide LGA peer review is planned for Autumn 2022 and consideration of the Committee system of governance should form an important part of that wider review. The Peer Review could provide an ideal opportunity to remind Councillors how the Committee System should be working in practice and to evaluate how to move forward and succeed in the new arrangement for the benefit of the residents, officers, and fellow colleagues. This could be supported with joint refresher training for both Members and Officers. 2. The Monitoring Officer in collaboration with Officers across the Council, should implement Performance Monitoring in the form of establishing key performance indicators against each of the	9. The Committee Managers should record and minute the start and finish time of their respective Committee meetings / Task Groups and Working Groups, to accurately reflect the length of time taken at Committee meetings. The Committee Managers should include timed Agendas to support the Chair and progress the agenda in a timely manner. This will help quantify both Member and Officer time and associated resource cost of meetings. 10. The Committee System Working Group should review the number of Committee meetings taking place and emphasise the importance of Member training requirements and physical attendance at meetings.	Open Audit. All the recommendations as presented are accepted (by both the Council’s Management Team and former Monitoring Officer). They have been shared with the Interim Monitoring Officer. Target date advised for implementation by Autumn 2022. These recommendations are to be addressed further by the new Group Head Corporate Governance, when she starts post in September 2022.

			<p>five specific objectives set out in the governance arrangements of the Committee System. This will provide continuity and a mechanism for effective measurement and monitoring of the Council set objectives and highlight potential improvements to the process.</p> <p>3.The Standards Committee in collaboration with the Monitoring Officer and the Political Group Leaders, should actively promote and robustly support the culture, vision and values of the Council and challenge the conduct and poor behaviour of Councillors wherever it occurs.</p> <p>4.The Political Group Leaders in collaboration with the Monitoring Officer and the Management Team (MAT), should remind Councillors that their decisions and actions are a reflection on the Council. Specifically, they are accountable to the residents and communities of the whole Borough, and they have a collective responsibility to</p>		
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			<p>deliver requirements set by Central Government.</p> <p>5.The role of the Committee System Working Group will remain pivotal in regularly monitoring the achievement of objectives as defined at the pre-implementation stage, as well as providing a Member forum to discuss and progress further improvements. In particular, focus needs to be given to how to effectively embed and demonstrate a more robust scrutiny role within the new Committee System / structure. This working group should also review the extent to which the risk mitigation measures highlighted by the Consultants at the outset are being applied.</p> <p>6. Internal Audit acknowledge that if the Committee System is not sustainable, then there would be an opportunity to invoke a petition to be presented, which if signed by 5% of the electorate, will trigger a referendum. If a referendum does in fact take place and there is a positive public vote to change then this will need to</p>		
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			<p>take place. This in turn would allow the Committee System form of governance to proceed towards a hybrid approach: the most common hybrid is between a Leader / Cabinet and the Committee System, which is legally a modified version of the Leader / Cabinet model. In such circumstances, the Monitoring Officer should consider advising on the benefits of a hybrid approach.</p> <p>7. The skillset of Members to Chair and actively participate in development decisions, planning decisions and financial matters cannot be underestimated. Councillors should be reminded of the significant adverse implications of poor, ineffective and delayed decision making and training on financial and planning matters should be well attended and understood.</p> <p>8(i)The Monitoring Officer in collaboration with the Management Team (MAT) should engage with the Political Group Leaders and the Leader of the Council to articulate and capture the expectations of</p>		
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			<p>Councillors ensuring that the expectations are proportionate with respect to the impact on the delivery of statutory duties of the Council, resource implications including retention of key staff and whether Officers have sufficient time available to discharge their responsibilities effectively.</p> <p>8(ii)The Monitoring Officer in collaboration with the Management Team (MAT) should address the risks and the implications around Officer feedback regarding Councillors excessive involvement in the operational side of the Council, in particular the concerns raised regarding adverse impact on physical and mental health of the Officers.</p>		
<p>8.Council Tax</p> <p>Draft Report issued June 2022.</p> <p>Recommendations under discussion with Service area.</p>	<p>Some Improvement Needed</p>	<p>Deputy Group Head Customer Relations & Customer Services and Revenues Manager</p>		<p>A matter has been highlighted regarding operational resilience due to the long-standing vacancy of the technical System Administrator post, whilst acknowledging that in the interim the Deputy Group Head CR has undertaken fundamental</p>	<p>Open Audit.</p>

				<p>system admin duties and billing processes.</p> <p>1.Outstanding credits balances should be reviewed, and reasonable steps taken to refund Council Tax payers where appropriate or credits removed from the Council Tax account and the necessary adjustment made in the Council's main account. (Recommended also at prior audit)</p> <p>2.Write offs should be undertaken promptly and in accordance with the Corporate Debt Policy. The Corporate Debt Group should seek management assurance that Write Off activity for Council Tax debts, as well as all other significant debt categories are taking place on a regular basis.</p> <p>3. Where there is no quantification of Council Tax fraud prevented or detected, it is not possible</p>	<p>1. Agreed and target date for implementation is 31 March 2023. Customer Services are aware, and it will take quite some time to clear these credits due to the volume.</p> <p>2. Agreed and target date for implementation is 31 October 2022. Write Offs are prepared but cannot be fully processed due to a technical issue with the write off code within the Academy system.</p> <p>3. Further discussions to take place and awaiting management response.</p>
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				<p>to measure authority savings achieved for this high-risk public fraud category. Savings are derived from ending or preventing the occurrence of fraud losses. It is therefore recommended that evidence should be collated and maintained by Customer Services to demonstrate proactive counter fraud measures undertaken for Council Tax, enabling quantified inclusion in Spelthorne's quarterly fraud returns. Counter fraud measures positively contribute to reducing the risk of occurrence of fraudulent activity relating to Council Tax, including new and ongoing claims for discounts/disregards/reliefs/exemptions etc.</p> <p>4. The Customer Services and Revenues Manager should undertake an SPD exercise and ensure that any SPD fraud cases recorded and captured</p>	<p>4.Planned for implementation as it is understood that the Deputy Group Head of Customer Relations is carrying out an</p>
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				<p>should feed into the Corporate Fraud quarterly returns.</p> <p>5.The annual review process to confirm ongoing entitlement to discounts is overdue and needs to be reinstated. SPD claimants / other discount types should be issued with an annual letter or complete an online declaration form asking them to confirm that their circumstances have remained the same. The Academy system should be marked accordingly. If the claimant’s circumstances have changed and they are no longer entitled to a discount or reduction, this demonstrates fraud (losses) or error stopped.</p>	<p>SPD Review this year with other local authorities</p> <p>5. Further discussions to take place and awaiting management response.</p>
<p>9.Emergency Planning</p> <p>Final report July 2022</p>	Effective	<p>Group Head Commissioning and Transformation</p>	<p>No recommendations arising.</p>	<p>No recommendations arising.</p>	Closed Audit

<p>10.Economic development and recovery (Strategic element only)</p> <p>The audit work is being finalised, and draft report under preparation.</p>	<p>TBC</p>	<p>Group Head Regeneration and Growth</p>	<p>-</p>	<p>-</p>	<p>Open Audit.</p> <p>There are no major issues arising from the work undertaken.</p>
<p>11. ICT Audit (Cyber Security)</p> <p>The audit work is being finalised, and draft report under preparation.</p>	<p>Some Improvement Needed</p>	<p>Group Head Commissioning and Transformation</p>	<p>-</p>	<p>1.It is recognised there is scope for further targeted cyber security training to strengthen awareness and understanding.</p> <p>2.There are a few good practice recommendations regarding policies and procedures.</p>	<p>Open Audit.</p>
<p>12.ICT Audit (Health check and general IT Controls)</p> <p>Final report - September 2021</p>	<p>Some Improvement Needed</p>	<p>Group Head Commissioning and Transformation</p>		<p>1.ICT to develop and maintain updated IT Strategy and Service Plan documents for 2021/22.</p> <p>2.ICT management to document key ICT risks and mitigating controls as part of a risk register. Managers are encouraged to undertake this as part of the service planning process.</p>	<p>Open Audit.</p> <p>1.Agreed for implementation – not yet started (due to workloads)</p> <p>2. Underway – potential completion Sept 2022</p>

				<p>3. ICT management to review and update the Patch Management Policy to reflect any recent changes to processes and procedures.</p> <p>4. ICT management to introduce a documented regular review of firewall rulesets and ensure this is performed on an at least annual basis.</p> <p>5. ICT management to review and update the Network Password Policy document to reflect current password requirements and controls.</p> <p>6. ICT management to review options for renaming/ disabling the Active Directory 'Administrator' account.</p> <p>7. ICT management should ensure the 'Information Back Ups Policy' and 'Appendix' documents are updated to reflect current backup requirements and</p>	<p>3. Implemented</p> <p>4. Implemented</p> <p>5. Implemented</p> <p>6. Implemented</p> <p>7. Significantly progressed</p>
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				<p>controls. These should include documentation of processes and requirements around the backup of key services, roles and responsibilities and required backup schedules.</p> <p>8. Disaster recovery arrangements should be tested following completion of the updated DR plan, and this should be completed on an annual basis. Test results should be documented as part of a formal test report which details test objectives, outcomes, and lessons learned. This can then be used in updating and improving the DR plan and supporting documents.</p>	8. Implemented
<p>13. ICT Audit (Network Infrastructure)</p> <p>Final report – November 2021</p>	Some Improvement Needed	Group Head Commissioning and Transformation		<p>1. ICT management to review and update Information Security framework policies and procedures.</p> <p>2. ICT management to document infrastructure device and firmware patching requirements and</p>	<p>Open Audit.</p> <p>1. Implemented and ongoing</p> <p>2. Implemented</p>

				<p>controls as part of the Patching Policy.</p> <p>3. ICT management to update the Change Control Policy to include the criteria to be used when assigning Impact and Risk ratings.</p> <p>4. ICT management to implement dedicated administrator accounts in addition to standard user accounts for IT administrators.</p> <p>5. ICT management to introduce a documented annual IT training needs assessment process.</p> <p>6. ICT management to ensure all required data is migrated from Sharepoint 2010 prior to its decommissioning.</p>	<p>3. Agreed for implementation – not yet started (due to workloads)</p> <p>4. Implemented</p> <p>5. Implemented</p> <p>6. Implemented</p>
<p>14. Payroll</p> <p>Final report - March 2022</p>	<p>Some Improvement Needed</p>			<p>1. Previously recommended in 2018: Identifying the departments needs from its IT systems so that in due course a system can be obtained with sufficient functionality that there is</p>	<p>Many recommendations are not deemed to be achievable by the service area (HR) due to resource constraints, technical role unfilled vacancy, and the need to focus on prioritised</p>

				<p>no longer a requirement to maintain a spreadsheet record of employee and job details.</p> <p>The report writer found in the business objects module within the Midlands I-Trent system should be used to accurately reconcile the Establishment List.</p> <p>2. Previously recommended in 2018: One of the key controls to ensure that this data is correct, is the six-monthly check. Every six months, the HR department sends out to all senior managers the details of their staff as shown on the Establishment List. Managers are required to confirm that these details are accurate or, if not, what corrections are required.</p> <p>The HR Managers should design an escalation procedure so that senior management is informed of non-replies and can arrange for such replies to be given. This procedure should be</p>	<p>work areas. There are no further updates to advise.</p>
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				<p>presented to the Group Head for approval.</p> <p>3.The HR Managers, in liaison with the Group Head of Commissioning and Transformation, should produce an action plan or a list and prioritise the significance of policies and procedures to be updated.</p> <p>4.A responsible officer within the HR team should be assigned to undertake the task of reviewing and updating the most significant HR Policies, followed by relevant communication to all staff to raise awareness and highlight any key changes. Any revisions to the recruitment policy should take account of audit comments and observations raised.</p> <p>5.The production of an overarching HR Strategy should be pursued. This would provide further insight on how the service is</p>	
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				looking to deliver its objectives and goals (over a specified timeframe) and how these measures in turn support the Council's Corporate priorities.	
15.Finalisation of 2020/2021 Audits - previous year's programme	Various	Various	-	-	The status of audit recommendations relating to the 2020/21 Audit workplan have been previously reported to the Audit Committee.

Follow Up Audit Recommendations	Managers are requested to advise on the status of audit recommendations raised 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)	Managers represent the first line of defence in the Council’s overall assurance framework, whilst Internal Audit represent the third line of defence. Assurance templates have been populated highlighting key risks within the function and Managers asked to confirm that controls are operating as described. Managers are encouraged to advise on any additional emerging or evolving risks as part of the audit process, and in our experience the level of insight across Services has been varied. Internal Audit already proactively highlighting relevant risks, and Managers may deem these sufficient. Whilst Internal Audit have facilitated this process through identification of risks thereby supporting risk-based auditing methodology, and continue to encourage Management input, ownership of controls and responsibility for effective risk management remains with Management.

All Other workstreams and tasks including corporate roles

<p><u>Statutory requirements & Reporting</u></p> <p>Audit Committee</p>	<ul style="list-style-type: none"> ❖ Reporting to Audit Committee three times a year (approx. 12 – 15 reports per year) includes Internal Audit activity, risk management reporting, development of risk appetite framework and requirements for Public Sector Internal Audit Standards (PSIAS) ❖ Annual Audit Plan preparation for 2021/22 in liaison with Group Heads and Managers, with inclusion of key risks and audit objectives for planned assignments ❖ Meetings with the Audit Committee Chair, Vice -Chair, Chief Finance Officer and Group Head Corporate Governance ❖ Following up and responding to actions/ questions raised by Audit Committee members ❖ Appointment of Independent Member of Audit Committee and welcome meeting ❖ Input to Audit Committee Member Training provided by external trainer in July 2021 ❖ Annual Audit Opinion & input to Annual Governance Statement for 2020/21 ❖ Quarterly liaison meetings with the s.151 Officer on audit matters as part of ‘dotted reporting line’ ❖ Audit Plan monitoring ❖ Audit Planning including timings, allocations, scoping and prioritisation review ❖ Preparation of terms of reference and work programmes
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	<ul style="list-style-type: none"> ❖ Supervision, management direction and guidance including quality assurance review process ❖ Exit Meetings with managers and finalising audit reports ❖ Responding to Senior Management requests to defer planned audit assignments ❖ Escalation where necessary to enable finalisation of work
<p><u>Corporate Risk management</u></p>	<ul style="list-style-type: none"> • Coordination of the Council’s Corporate Risk Register and regular reporting to Audit Committee took place. The register focuses on significant strategic risks impacting effective delivery of corporate priorities. It also aligns to methodology set out in the fully refreshed Corporate Risk Management Policy. • As part of ongoing development work, a summarised policy guide has been prepared to assist colleagues in managing risk. The Group Head of Corporate Governance and Internal Audit Manager delivered training to officers in September to raise awareness of corporate approaches and relevant training material was prepared. • Developing a Risk Appetite Framework (RAF) for Spelthorne is a work in progress and represents an important step in the Council’s risk maturity. Essentially it will guide how much risk the Council is willing to seek and accept to assist and enable consistent, transparent, and informed risk-based decisions in delivering corporate priorities and objectives. Explored the concept of a RAF with Elizabeth Humphrey and worked collaboratively to regularly communicate and report on the rationale and benefits of introducing a RAF to the Audit Committee, corporate management team, Group Heads, and senior managers. A risk appetite pack has been prepared and shared to demonstrate how a RAF could be applied to corporate processes including decision making. Further detail is provided in the separate risk appetite report going to the July 2022 Audit Committee.
<p><u>Corporate Counter Fraud</u></p>	<ul style="list-style-type: none"> ❖ Refreshing the Counter Fraud, Bribery and Corruption Strategy ❖ Rolling out Counter Fraud, Bribery and Corruption online training for officers and seeking management team endorsement to make this mandatory ❖ Input to training material aimed at teams administering high risk public fraud activities. Reigate Counter fraud team delivered these sessions which were well received. ❖ Collaborative working continues with Reigate and Banstead counter fraud team to target high risk public fraud areas and produce positive outcomes. ❖ Quarterly fraud returns are collated. Payback/returns are continuing to be achieved from the counter fraud work and the annual fraud returns for 2021/22 (covering high risk public fraud) are referred to on the cover report. ❖ An analysis of the levels of fraud returns achieved across six high-risk public fraud categories and over recent years has been undertaken and previously reported in November 2021. ❖ Several meetings have taken place with Housing colleagues, Reigate Counter fraud team and registered providers to encourage greater focus on social housing fraud and to specifically target this area through exploration of a data matching initiative. The significant benefits that could be derived have been reported previously to the Audit Committee by the Internal Audit Manager. This remains a work in progress, with recent developments.

	<ul style="list-style-type: none"> ❖ Internal Audit, Finance, Communications, and other teams circulate details of frauds and scams identified nationally or locally to make staff aware of risks and assess their impact as necessary. ❖ All audit reviews consider fraud risks. However, it remains the responsibility of management to ensure they have adequate systems of control in place to minimise risks of fraudulent activity and robust detection mechanisms in operation.
<p><u>Audit Contractor Resource Management</u></p>	<p>TIIA has provided access to both generalist and specialist skills such as ICT auditing. Where Auditors have conducted similar reviews at other local authorities or other organisations any best practice is being shared.</p>
<p><u>Audit Support</u></p> <p>Audit advice to management & Liaison (responsive and pro-active work)</p>	<ul style="list-style-type: none"> ❖ Review of Spelthorne Leisure Centre Accounts for April to July 2021 including identification, collation and review of key source data and supporting documentation (Unplanned assurance work to support the authority). ❖ COVID-19 Pandemic - Monitoring the Council's ongoing response and recovery from the pandemic, identification and assessment of emerging and evolving risks and periodical reporting to Audit Committee. Highlighting risk mitigation actions underway as well as those areas that are impacted heavily by externalities. ❖ Attendance at working groups to offer advice where appropriate on risk and control implications, (Corporate Risk Management Group, Corporate Debt Group, ICT SIG). ❖ Confidential advice to some service areas ❖ Various MAT and Committee reports – governance, risk, and control issues ❖ Planned Advisory areas including Housing/Building Control/Environmental Health/Neighbourhood Services ❖ Service requests ❖ Knowle Green Estates (KGE) – initial steer and advice to the officer lead in preparation of a risk assessment ❖ New and emerging processes in response to supporting communities from the impacts of the pandemic ❖ Assurance Statement for Annual Governance Statement ❖ Test and Trace payments- review of supporting documentation to support grant sign off ❖ Compliance and Enforcement surge funding – review of supporting documentation to support grant sign off ❖ Input to authority's feedback to BEIS regarding Business Support Grants ❖ Procurement and supplier risks ❖ Gifts and Hospitality ❖ Housing - Electronic signatures ❖ Finance and Customer Services - Duplicate Payments ❖ Finance and Parking Services – arrangements for secure collection and banking of monies ❖ Finance and Independent Living –banking of monies ❖ Customer Services – counter fraud approach

	<ul style="list-style-type: none"> ❖ Exploring a forensic software system that uses data analytics to detect and prevent the occurrence of financial errors in an accounts payable (Creditors) function, including discussions with external representatives and internal stakeholders <p>There are various other examples of audit support – the above is not a complete list.</p>
<p><u>Miscellaneous & Corporate tasks</u></p>	<p>Various as summarised below:</p> <ul style="list-style-type: none"> ❖ Refreshing and updating audit templates and documentation ❖ Attendance at Corporate training sessions ❖ Continuous Professional Development and keeping abreast of audit technical developments/emerging best practice ❖ Performance Management / 1-1's ❖ Team management (staff support/ admin/GDPR Compliance Plans/ Health and Safety/ Budget/Legal Liaison on contractual agreements) ❖ Keeping abreast of corporate initiatives ❖ Responding to FOI requests ❖ Team meetings ❖ Corporate staff meetings ❖ V-BEC Managers Briefings