

Standards and Audit Committee

Tuesday 28 November 2017 at 7.30pm

**Council Chamber
Runnymede Civic Centre, Addlestone**

Members of the Committee

Councillors M G Nuti (Chairman), J Broadhead (Vice-Chairman), A Alderson, D E Anderson-Bassey, R J Edis, J R Furey, Mrs Y P Lay, S M Mackay, A P Tollett and N Wase-Rogers.

In accordance with Standing Order 29.2 any non-member of the Committee who is considering attending the meeting should first request the permission of the Chairman.

A G E N D A

Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant "background papers" are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Miss C Pinnock, Democratic Services, Law and Governance Business Centre, Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425627). (Email: clare.pinnock@runnymede.gov.uk).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr B A Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on www.runnymede.gov.uk.
- iv) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.
- v) **Filming, Audio-Recording, Photography, Tweeting and Blogging of Meetings**

Members of the public are permitted to film, audio record, take photographs or make use of social media (tweet/blog) at Council and Committee meetings provided that this does not disturb the business of the meeting. If you wish to film a particular meeting, please liaise with the Council Officer listed on the front of the Agenda prior to the start of the meeting so that the Chairman is aware and those attending the meeting can be made aware of any filming taking place.

Filming should be limited to the formal meeting area and not extend to those in the public seating area.

The Chairman will make the final decision on all matters of dispute in regard to the use of social media, audio-recording, photography and filming in the Committee meeting.

LIST OF MATTERS FOR CONSIDERATION

PART I

Matters in respect of which reports have been made available for public inspection

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| 1. | FIRE PRECAUTIONS | 4 |
| 2. | NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP | 4 |
| 3. | MINUTES | 4 |
| 4. | APOLOGIES FOR ABSENCE | 4 |
| 5. | DECLARATIONS OF INTEREST | 4 |
| 6. | INTERNAL AUDIT FOLLOW UP ON AUDITS COMPLETED IN 2016/17 | 4 |
| 7. | INTERNAL AUDIT PROGRESS REPORT - 2017/18 | 5 |
| 8. | COMPLAINTS AND COMPLIMENTS 1 SEPTEMBER TO 31 OCTOBER 2017 | 6 |
| 9. | EXCLUSION OF PRESS AND PUBLIC | 8 |

PART II

Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.

a) Exempt Items

| | | |
|-----|-------------------------------------|----|
| 10. | ADDLESTONE ONE RISK REGISTER UPDATE | 10 |
|-----|-------------------------------------|----|

b) Confidential Items

(No items to be considered under this heading)

1. FIRE PRECAUTIONS

The Chairman will read the Fire Precautions, which set out the procedures to be followed in the event of fire or other emergency.

2. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

3. MINUTES

To confirm and sign the Minutes of the Meetings held on 19 September and 6 November 2017. The September set was previously circulated to all Members by email in October 2017 and the November set is attached at Appendix 'A'.

4. APOLOGIES FOR ABSENCE

5. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Democratic Services Officer at the start of the meeting. A supply of the form will also be available from the Democratic Services Officer at meetings.

Members are advised to contact the Council's Legal section prior to the meeting if they wish to seek advice on a potential interest.

Members are reminded that a non pecuniary interest includes their appointment by the Council as the Council's representative to an outside body and that this should be declared as should their membership of an outside body in their private capacity as a director, trustee, committee member or in another position of influence thereon.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is a disclosable pecuniary interest or if the interest could reasonably be regarded as so significant as to prejudice the Member's judgement of the public interest.

6. TIAA PROGRESS REPORT – FOLLOW UP ON AUDITS CONDUCTED IN 2016/17 (TIAA)

Synopsis of report:
To inform Members on the progress made by Council Officers in implementing the recommendations made by TIAA, the Council's Internal Auditors, resulting from the internal audit work completed for the financial year 2016/17.

Recommendation(s):
None: The report is for information.

1. Context of report

1.1 Attached at Appendix 'B' is TIAA's Follow Up Report on the Recommendations made following completion of the 2016/17 internal audit work programme.

2. Report

2.1 The following points are brought to the Committee's attention:-

1. 28 Recommendations have been implemented
2. 5 Recommendations are in the process of being implemented. (Details included in the appendix)
3. 1 Recommendation has a revised target date. (Details included in the appendix)
4. 4 Recommendations have not reached their implementation date

2.2 In addition, there are four recommendations which have not been implemented, all of which sit with the Corporate Director of Resources, who has responded that:

2.2.1 "Members will recall the recent comprehensive restructure in the Resources division which included the Head of Revenues, Council Tax Manager and Business Rates Manager leaving the Council's employment in the autumn of 2017.

2.2.2 The Resources division is implementing the final phase of the new structure. This an integrated one taxation, benefits and customer services function, with a much slimmed down management structure.

2.2.3 The main system used in Revenues has been in place for over 15 years, so allied to the staff changes, Officers are preparing tenders for a significant change in tax and benefit systems.

2.2.4 The staff changes will be in place by April 2018 and new systems will be in the process of being procured. Part of the savings identified to Members are the "channel shift" savings which will require a new operating model for the division.

2.2.5 Systems and process notes are being documented as changes are implemented. However, new financial systems will require these to be revisited during the implementation phase."

3. Resource implications

3.1 The audit service is budgeted for in the Council's annual budgets, with a small contingency to cover unforeseen audits.

(For information)

Background papers

Relevant Internal Audit working files and reports

7. INTERNAL AUDIT PROGRESS REPORT – 2017/18 (TIAA)

Synopsis of report:

To inform Members on the progress made by TIAA, the Council's internal auditors, on progress to date with the 2017/18 Internal Audit Annual Plan

Recommendation(s):

None: The report is for information.

1. **Context of report**

1.1 Attached at Appendix 'C' is TIAA's Internal Audit Progress Report for 2017/18.

2. **Report**

2.1 The report identifies the audits which have been completed since the meeting of this Committee in September 2017 for the 2017/18 planned audits.

2.2 The changes to the plan are an additional audit following a Whistleblowing Incident which was reported to the Committee in September 2017, with a follow up report made by the Chief Executive earlier this month on 6 November.

2.3 At the meeting on 6 November, it was agreed that TIAA would check that all the recommendations from the Whistleblowing audit had been completed and that future arrangements, once agreed and implemented, would be the subject of an audit every six months to monitor progress.

3. **Resource implications**

3.1 The audit service is budgeted for in the Council's annual budgets, with a small contingency to cover unforeseen audits.

(For information)

Background papers

Relevant Internal Audit working files and reports

8. **COMPLAINTS AND COMPLIMENTS – 1 SEPTEMBER TO 31 OCTOBER 2017 (LAW AND GOVERNANCE)**

Synopsis of report:

To provide Members with a summary of the complaints and compliments received since the meeting of this Committee in September 2017.

Recommendation(s):

None. This report is for information.

1. **Context of Report**

1.1 The Council maintains a database of formal complaints which have been recorded (including those in which the Local Government and Social Care Ombudsman (LGSCO) has been involved), what they relate to and how they have been resolved. We maintain a similar database for compliments that have been recorded.

2. **Report**

2.1 The Council's Complaints Procedure regards complaints as 'an expression of dissatisfaction with a Council's action or omission, whether justified or not'. Requests for services, information and explanations of Council policy are not regarded as complaints.

- 2.2 Members are updated on complaints and compliments received at each scheduled meeting of this Committee.

Complaints and Compliments

- 2.3 There were 25 formal complaints and 5 compliments recorded since the last meeting of this Committee as set out below. The numbers in brackets are those received in the period June to September 2017 for comparison.

| Business Centre | Number of Complaints | Number of Compliments |
|------------------------|----------------------|-----------------------|
| Corporate Services | 4 (1) | 0 (0) |
| Community Development | 1 (1) | 2 (1) |
| Environmental Services | 5 (2) | 1 (2) |
| Housing | 6 (4) | 0 (3) |
| Law and Governance | 0 (0) | 0 (3) |
| Planning | 5 (6) | 0 (1) |
| Resources | 4 (3) | 2 (6) |

- 2.4 The number of complaints across Business Centres was higher between September and the end of October and the number of compliments was generally lower.
- 2.5 Of the 25 complaints received, 5 have been upheld, 14 have not and the remaining 6 are in the process of being dealt with because of their more complex nature and/or because they involve more than one business centre.
- 2.6 Most complaints which are received centrally by the Chief Executive (appears under Corporate Services in the table) concern a different business centre. For example one complaint concerned letters received from two different departments. Where a complainant has by-passed the business centre in question, they are encouraged to raise their concern with them first. If unresolved, the Chief Executive will then make enquiries and respond accordingly. In this period, only one complainant went straight to the Ombudsman with their complaint. The Ombudsman decided not to investigate, referring the matter back to us for local resolution.
- 2.7 The nature of complaints in this period concerned procedural issues, interaction with staff, service provision and/or standards, the time taken to respond/resolve complaints or service requests and complaints to the Council about neighbours or contractors. Where complaints have been upheld, apologies have been given and, where appropriate, a refund issued or compensation offered. Where complaints have not been upheld, supporting correspondence shows that a full explanation has been given with reference to relevant legislation, policy or procedures.
- 2.8 There were 5 compliments received between 1 September and 31 October. Two of these were for Chertsey Museum and the others were for Customer Services and Environmental Health for their swift response to deal with service requests.
- 2.9 Anecdotal evidence suggests that more compliments are received than are formally recorded because they are regarded as a lower priority. Nevertheless, it is still important to record both and to pass on compliments to the relevant teams.
- 2.10 The recording and periodic review of complaints and compliments is a valuable tool for the Council to use to review performance and improve the delivery of services. There are clearly certain interactions with the public which will always result in a degree of dissatisfaction e.g. parking enforcement. Nevertheless complaints about

such matters can provide a useful insight into the way a service is provided. Complaints may suggest that communication can be improved or information provided on the website should be reviewed.

- 2.11 Compliments are also a useful performance tool. They highlight when things are working well and can be used to identify good working practices which can be shared across the organisation.

3. Policy framework implications

- 3.1 Members approved a new Customer Service Charter in December 2016. When the new Customer Services Standard goes live (delayed owing to the introduction of the new Customer Services structure and on-going Resources re-organisation) it will affect the current Complaints Procedure by reducing the response time for formal complaints from 10 to 5 working days. A new procedure has been drafted in readiness.

4. Resource implications

- 4.1 Responsibility for overseeing the registers of compliments and complaints is an important part of Corporate Governance and is undertaken by an Officer in Democratic Services on behalf of the Monitoring Officer and met from within existing resources. Accurate completion of the registers is the responsibility of those designated Officers across the organisation.

5. Equality implications

- 5.1 Although Officers endeavour to collect data that might enable us to identify whether a complainant, or satisfied customer for that matter, has a 'protected characteristic' for equality monitoring purposes, in practice hardly anyone is prepared to divulge such information. Consequently, it is impossible to say whether any particular group is disadvantaged.
- 5.2 In this period one complaint was recorded as being relevant to a protected characteristic. However, after investigation by a senior Officer in the relevant area and review by an independent Officer overseeing the contract, including viewing of relevant footage, it was not upheld.

(For information)

Background papers

The Complaints and Compliments Registers held on the Council's feedback drive and relevant (part exempt) emails in Democratic Services Outlook folders.

9. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that -

the press and public be excluded from the meeting during discussion of the following reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.

(To resolve)

Part II

Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.

| | | |
|------------|--|----------------|
| a) | <u>Exempt Items</u> | Paras |
| 10. | ADDLESTONE ONE RISK REGISTER UPDATE | 1 and 3 |

b) Confidential Items

(No items to be considered under this heading).

Standards and Audit Committee

Tuesday 28 November 2017

Appendices

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| C | Internal Audit Progress Report 2017/18 | 13 |

Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE6 November 2017 at 7.30pm

Members of the Committee Present: Councillors M G Nuti (Chairman) J Broadhead (Vice-Chairman)
A Alderson, D E Anderson-Bassey, R J Edis, J R Furey, Mrs Y P Lay,
S M Mackay, A P Tollett and N Wase-Rogers.

Members of the Committee absent: Mr J Healy and Mr M Litvak (Independent persons)

Councillors D A Cotty, S A Lewis, D W Parr, B W Pitt, N H Prescott, Ms C M Simmons, Miss J Sohi and P J Waddell also attended the meeting.

FIRE PRECAUTIONS

The Chairman read the procedures to be followed in the event of fire or other emergency.

INTERNAL AUDIT INVESTIGATION: ALLEGED BREACH OF ANTI-FRAUD AND CORRUPTION POLICY

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraphs 1 and 3 of Schedule 12A to Part 1 of the Act.

The Chief Executive presented a report responding to the audit report produced by TIAA, following a whistleblowing incident, which was reported to the Committee in September 2017.

At that meeting, Members had expressed concern with the way in which the incident had been handled, the lack of action taken in respect of the member of staff involved and the time taken for the matter to be reported to the Committee. The Chief Executive had been asked to report his findings to a special meeting of the Committee.

The Chief Executive had investigated the background and facts of the case, which he stressed was the first of its kind at Runnymede. He had consulted those Officers who had dealt with the case. Whilst acknowledging that his conclusions would have resulted in a different sanction; he did not believe there was enough evidence to support the outcome Members had previously indicated might have been more appropriate. He also considered that the Council's procedures were generally resilient.

However, there were lessons to be learnt and the Chief Executive made a number of recommendations which the Committee agreed would address their concerns. These related to Contract Standing Orders, training and development of staff and the conduct of disciplinary cases, particularly those concerning allegations of fraud and corruption. These would be subject to further discussion by the Constitution and HR Member Working Groups who would submit their recommendations to the Corporate Management Committee in due course.

The Member Working Groups would discuss proposed changes to relevant policies and procedures, appropriate wording including consideration of how potential cases of alleged fraud and/or corruption are handled, bearing in mind ACAS guidelines, relevant case law and the need for the employer to act appropriately and proportionally. The HR Member Working Group would also be asked to review the current definition of gross misconduct in the Disciplinary Procedure in employee terms and conditions and make appropriate recommendations.

The Committee agreed that additional resources for Procurement focussing on contract compliance were necessary and the Chief Executive would submit a report to the Corporate Management Committee accordingly. With a central Procurement resource it would be possible to deliver extensive training on procurement matters.

The Committee agreed that it would be appropriate to ask the HR Member Working Group to give consideration to recommending mandatory annual training and certification of relevant staff on Procurement and Contracts. The Constitution Member Working Group were asked to discuss and consider proposing/devising a draft Code of Practice for contractors, suppliers and service providers.

Members requested that all TIAA's recommendations from the previous audit on whistleblowing be checked for completion. Officers confirmed that TIAA would report to a future meeting and that they would be asked to conduct an audit every 6 months once new arrangements for Procurement and contract compliance had been agreed.

In light of recent communications referred to in the meeting, Members agreed that it would be appropriate for the Councillor's Code of Conduct and the Member Officer Protocol to be reviewed and considered by a future meeting of the Standards and Audit Committee.

Finally, the Chairman asked Members to note that there would be forthcoming training for the Committee on Audit related matters.

A named vote was called for by the Chairman and the recommendations were approved, with all Members of the Committee voting in favour, except for one abstention by Councillor S M Mackay.

RESOLVED that –

- i) Members note the report of the Chief Executive and proposals for mandatory awareness training for all Officers;**
- ii) Members note the proposed changes to the Disciplinary Procedure and Policy as well as the Anti Fraud and Corruption Policy as set out in paragraph 6 of the report; and**
- iii) Members refer the proposed changes noted above to both the Constitution Member Working Group and Human Resources Member Working Group, as appropriate, for consideration and/or further comment, addition or amendment, before their subsequent approval by the Corporate Management Committee as part of the Constitutional review in 2018**

Chairman

(The meeting finished at 8.30 pm)



Runnymede Borough Council

Follow Up Review of 2016/17 Internal Audit Recommendations 2017/18

Executive Summary

INTRODUCTION

1. This follow up review by TIAA established the management action that has been taken in respect of the priority 1, 2 and 3 recommendations arising from the internal audit reviews listed below at Runnymede Borough Council, which had been finalised during 2016/17. The review was carried out during August to October 2017.

| Review | Year | Date of Final Report |
|-------------------------------|-------|----------------------|
| Procurement | 15/16 | 10 May 2016 |
| Business Continuity | 15/16 | 20 May 2016 |
| Addlestone One Project | 16/17 | 15 June 2016 |
| Insurances | 16/17 | 26 July 2016 |
| Car Parking | 16/17 | 1 November 2016 |
| Depot | 16/17 | 10 November 2016 |
| Housing Repairs & Maintenance | 16/17 | 6 December 2016 |
| Commercial Rents | 16/17 | 16 December 2016 |
| Payroll | 16/17 | 10 January 2017 |
| Debtors | 16/17 | 10 January 2017 |
| Creditors | 16/17 | 10 January 2017 |
| Cash & Bank | 16/17 | 10 January 2017 |



| Review | Year | Date of Final Report |
|---------------------------------------|-------|----------------------|
| Governance – Gifts & Hospitality | 16/17 | 18 January 2017 |
| Benefits | 16/17 | 19 January 2017 |
| Business Rates | 16/17 | 22 February 2017 |
| Council Tax | 16/17 | 27 February 2017 |
| Leisure Contract | 16/17 | 9 March 2017 |
| Budgetary Control | 16/17 | 10 March 2017 |
| Housing Rents | 16/17 | 13 March 2017 |
| Capital Accounting & Asset Management | 16/17 | 17 March 2017 |

KEY FINDINGS

- The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

| Evaluation | Number of Recommendations |
|-------------------------------------|---------------------------|
| Implemented | 29 |
| In Process of Being Implemented | 4 |
| Revised Target Date | 1 |
| Implementation Date not yet reached | 4 |



| Evaluation | Number of Recommendations |
|---|---|
| Management comments not received | <p style="text-align: center;">4 (The Committee will be updated on these at the next Standards and Audit Committee in January 2018)</p> |
| Not Implemented | <p style="text-align: center;">0</p> |

3. For the 28 recommendations that have been confirmed as implemented, no further action is necessary and specific details have not been included in this report. For the 4 recommendations which have not yet reached their implementation date, no action was required at this time and, as such, specific details have not been included in this report. These recommendations will continue to be periodically monitored as they reach their intended implementation dates.
4. At the time of completing this follow up review, status updates had not been received from management in relation to 4 recommendations included in the 16/17 reviews of Benefits, Council Tax, and Business Rates. This has arisen due to the restructure within the Resources Division, however, it is expected that the recommendations will be implemented shortly and TIAA will update the Standards and Audit Committee on this at its next meeting in January 2018.
5. Where recommendations are in the process of being implemented or have a revised target date, these will continue to be periodically monitored. Details relating to the specific recommendations in these cases have been included in the Detailed Report section below.

SCOPE AND LIMITATIONS OF THE REVIEW

6. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
7. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
8. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.



RELEASE OF REPORT

9. The table below sets out the history of this report.

| | |
|--|--------------------------------|
| Date draft report issued: | 8 th November 2017 |
| Date management responses received: | 9 th November 2017 |
| Date final report issued: | 14 th November 2017 |



Detailed Report

FOLLOW UP

10. Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:

Review: Depot

| From the review of the documentation and checks carried out the assessment is: | | | |
|--|---|-------------------------------------|---|
| Implemented | 0 | Considered but not Implemented | 0 |
| In Process of Being Implemented | 2 | Implementation Date not yet reached | 0 |
| Revised Target Date | 0 | Not Implemented | 0 |

| Recommendation: | Priority: 3 |
|---|-------------|
| Review the organisation of emergency stores stock, to ensure ease of stock takes and checks, with a record maintained of the day to day usage of emergency stores stock items so that all stock can be accounted for. | |
| <p>Action taken: In Process of Being Implemented.</p> | |
| <p>Audit Observation: It was advised by the Direct Services Manager that a stock control book was introduced following the audit but this has proved to be ineffective. A dedicated secure area for PPE with a limited number of keys is currently being constructed with CCTV coverage. This is scheduled to be in use by mid November 2017.</p> | |



| | |
|--|--------------------|
| Recommendation: | Priority: 3 |
| Use of the stock control book or other suitable record for protective clothing to be reintroduced, with supervisors recording whenever stock is issued. | |
| Action taken: In Process of Being Implemented. | |
| Audit Observation: As above, it was advised by the Direct Services Manager that a stock control book was introduced following the audit but this has proved to be ineffective. A dedicated secure area for PPE with a limited number of keys is currently being constructed with CCTV coverage. This is scheduled to be in use by mid November 2017. | |

Review: Housing Repairs & Maintenance

| From the review of the documentation and checks carried out the assessment is: | | | |
|--|----------|--|----------|
| Implemented | 0 | Considered but not Implemented | 0 |
| In Process of Being Implemented | 1 | Implementation Date not yet reached | 1 |
| Revised Target Date | 0 | Not Implemented | 0 |

| | |
|--|--------------------|
| Recommendation: | Priority: 2 |
| Contracts be agreed with all suppliers in compliance with the Council's standing orders. | |
| Action taken: In Process of Being Implemented. | |
| Audit Observation: It was advised by the Housing Maintenance Manager that the contracts are presently in the process of being implemented, with the added support of the central procurement team, and a revised timetable has been drawn up whereby all contracts will be operational by the end of 2018. | |



Review: Commercial Rents

| From the review of the documentation and checks carried out the assessment is: | | | |
|--|---|-------------------------------------|---|
| Implemented | 6 | Considered but not Implemented | 0 |
| In Process of Being Implemented | 0 | Implementation Date not yet reached | 0 |
| Revised Target Date | 1 | Not Implemented | 0 |

| Recommendation: | Priority: 2 |
|---|-------------|
| <p>That the Estatemanager database which holds all of the Council's commercial property be verified through reconciliation with, for example, the fixed asset register, with further verification that the data contained within the system is accurate.</p> | |
| <p>Action taken: Revised Target Date.</p> | |
| <p>Audit Observation: It was advised that this has now been passed to Commercial Services, who are to undertake a root and branch review of systems and procedures subject to securing agreement of a supplementary estimate. The system verification process is to be undertaken when possible. If additional funding is secured then this will be completed within 12 months of the funding. If no additional funding then this will take 2-3 years to complete.</p> | |



Review: Housing Rents

From the review of the documentation and checks carried out the assessment is:

| | | | |
|--|----------|--|----------|
| Implemented | 0 | Considered but not Implemented | 0 |
| In Process of Being Implemented | 1 | Implementation Date not yet reached | 0 |
| Revised Target Date | 0 | Not Implemented | 0 |

| | |
|---|--------------------|
| Recommendation: | Priority: 3 |
| Ensure the Rent Arrears Recovery Policy and Procedure is amended to reflect Universal Credit clients. | |
| Action taken: In Process of Being Implemented. | |
| Audit Observation: It was advised by the Housing Services Manager that the policy is still a work in progress ready for the move over to full Universal Credit in August 2018, with an expected timeframe for completion of 31/01/18. | |





Runnymede Borough Council

Internal Audit Progress Report 2017/18

Standards and Audit Committee – 28 November 2017

INTRODUCTION

1. This summary report provides the Standards and Audit Committee with an update on the progress of our 2017/18 work at Runnymede Borough Council as at 31st October 2017.

PROGRESS AGAINST THE 2017/18 ANNUAL PLAN

2. Our progress against the Annual Plan for 2017-18 is set out in Appendix A.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation in the period since our last progress report.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since the previous meeting of the Standards and Audit Committee.

| Review | Evaluation | Key Dates | | | Number of Recommendations | | | |
|-------------------|-------------|--------------|--------------------|--------------|---------------------------|---|---|----|
| | | Draft issued | Responses Received | Final issued | 1 | 2 | 3 | OE |
| 2016/17 | | | | | | | | |
| ICT Strategy | Reasonable | 17/07/17 | 18/09/17 | 19/09/17 | - | 3 | 1 | - |
| 2017/18 | | | | | | | | |
| Safeguard/Prevent | Substantial | 20/09/17 | 02/10/17 | 03/10/17 | - | - | 2 | - |
| Procurement | Reasonable | 04/10/17 | 09/10/17 | 10/10/17 | - | 2 | 2 | 1 |
| Building Control | Substantial | 17/10/17 | 27/10/17 | 30/10/17 | - | - | - | - |

All Priority 1 and 2 recommendations made and management responses are shown at Appendix B.



CHANGES TO THE ANNUAL PLAN 2017/18

6. We have undertaken the following additional audit to the plan for 2017/18:
- Whistle Blowing Investigation (reported to Standards and Audit Committee 19 September 2017)

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last progress report was issued.

LIAISON

8. Liaison with Corporate Director of Resources:
We continue to liaise with the Corporate Director of Resources on a regular basis.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous progress report.

RESPONSIBILITY/DISCLAIMER

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2017/18

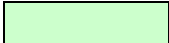
| System | Planned Quarter | Days | Current Status | Comments |
|--|-----------------|------|--|---|
| Risk Management | 1 | 6 | Draft Report issued July 2017 | |
| Community Transport | 1 | 5 | | Audit deferred at request of client until Quarter 4 |
| Safeguarding/Prevent | 1 | 5 | Final Report issued October 2017 | |
| Day Centres | 1 | 5 | Draft Report issued September 2017 | |
| Customer Services | 1 | 8 | Fieldwork complete – draft report being prepared | |
| Addlestone 1 (Town Centre Redevelopment-First half year) | 2 | 5 | Final Report issued June 2017 | |
| Procurement | 2 | 6 | Final Report issued October 2017 | |
| Governance (Constitution/Reporting/Records) | 2 | 6 | Draft Report issued October 2017 | |
| HR – Absence Management | 2 | 5 | Draft Report issued June 2017 | |
| Depot – to include Commercial (Trade) Waste from 2017/18 | 2 | 6 | | Audit deferred at request of client until Quarter 4 |
| Building Control | 2 | 3 | Final Report issued October 2017 | |
| Housing Enforcement | 2 | 6 | | Audit deferred at request of client until Quarter 4 |
| Housing Rents | 2 | 6 | | This will now be a Quarter 3 audit |
| Commercial Rents | 2 | 8 | | Audit deferred at request of client until Quarter 4 |
| Whistle Blowing Investigation | | 10 | Final Report issued September 2017 | Additional audit to plan (report presented to September 2017 Standards and Audit Committee) |
| Commercial Property Redevelopment | 3 | 11 | | Audit deferred at request of client until Quarter 4 |

| System | Planned Quarter | Days | Current Status | Comments |
|---|-----------------|------|---|----------|
| ICT – Member’s Replacement IT | 3 | 5 | | |
| ICT – Cyber Security | 3 | 8 | | |
| ICT – Change Management | 3 | 6 | | |
| Benefits and Council Tax Support | 3/4 | 10 | | |
| Council Tax | 3/4 | 6 | | |
| Accounts Payable (Creditors) | 3/4 | 6 | In Progress | |
| Accounts Receivable (Debtors) | 3/4 | 6 | In Progress | |
| Income – Cash and Bank | 3/4 | 6 | Start date is arranged for 27 November 2017 | |
| Main Accounting (General Ledger) | 3/4 | 6 | | |
| Payroll | 3/4 | 8 | In Progress | |
| Non Domestic Rates (NDR) | 3/4 | 6 | | |
| Treasury Management | 3/4 | 6 | | |
| Follow Up | 4 | 6 | | |
| Sheltered Centres | 4 | 5 | | |
| Addlestone 1 (Town Centre Redevelopment-Second have year) | 4 | 5 | | |

KEY:

| | | |
|--|---|---------------------|
| | = | To be commenced |
| | = | Site work commenced |
| | = | Draft report issued |



 =  Final report issued



Recommendations – Priority 1 and 2 recommendations

Audit Report: ICT Strategy
Report Issued: 19/09/17

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|-------------|---|--|----------|--|-------------------------------------|---------------------------------|
| 1 | Compliance | No specific, measurable targets for deliverables are included in the ICT Strategy | Where relevant, targets and KPIs be established for the objectives set out in the ICT Vision section of the Strategy document. | 2 | <i>The strategy documentation follows a specific template so targets and deliverables will be part of the project documentation.</i> | WIP | HIT |
| 3 | Operational | Unclear what project management resources will be available to manage the projects emanating from the Strategy. | Establish proper resources to manage and deliver the projects on which the success of the ICT strategy is dependent. | 2 | <i>Full time deputy for HIT and technical project manager started on 1 August 2017. The Project manager commenced employment 11 September and is reviewing project management systems. Each major project will include an operational officer to manage implementation</i> | complete | CDoR (P MCK) |
| 4 | Operational | Unclear what forum will oversee the programme of work resulting from the strategy. | Establish forum that is responsible for overseeing the projects and to which the implementation functions are responsible. | 2 | <i>Members (Communication and Business Applications group), CX and Director of Resources.</i> | Immediate | HIT/DoR |

Audit Report: Procurement
Report Issued: 10/10/17

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|------|------------|---|---|----------|---|-------------------------------------|--------------------------------------|
| 1 | Compliance | It was noted that for a number of contracts existing arrangements are being extended. While this is acceptable for good performing contractors the Council should from time to time test the market to confirm they are still getting value for money | All term contracts be market tested at the end of their term unless a provision exists within the original contract to provide for an extension | 2 | <i>An e-mail will be sent to all staff to remind them that all contracts should be market tested at the end of their term unless a provision exists within the original contract to provide for an extension.</i> | 01/11/17 | Corporate Head of Law and Governance |
| 4 | Compliance | A review of the web based Contracts Register shows a number of typing errors within. Also many contracts have exceeded their end date with no indication of either being retendered or having their duration extended. Following a number of emails to Heads of Service the Contracts Register has now been updated. An administrator uploads a current Contracts Register every three months. This administrator has the responsibility to manage the register and to make sure it is complete and relevant. | The Contracts Register is maintained as an up to date and accurate record of contracts entered into by the Council. | 2 | <i>The Contracts Register is maintained by the Council's Procurement Officer and not an 'administrator'. That officer sends out periodic reminders to all staff to who deal with contracts to provide her with the relevant information. Periodic reminders will continue to be sent out.</i> | 01/11/17 | Corporate Head of Law and Governance |