

Standards and Audit Committee

Tuesday 30 January 2018 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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PART II

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

a) Exempt Items

11.	ADDLESTONE ONE RISK REGISTER UPDATE	10
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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 Meeting held on 28 November 2017, as 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. INTERNAL AUDIT FOLLOW UP ON OUTSTANDING RECOMMENDATIONS FROM 2016/17 (TIAA)

Synopsis of report:
To inform Members on progress made by the Council's 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: This 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. This report has been updated for this meeting, following Members' concerns regarding

recommendations that had not been implemented when this report was presented to the last meeting of this Committee in November 2017.

2. Report

2.1 The report is an exception report and follows on from the previous follow up report presented to this Committee in November 2017. Of the 13 recommendations not fully implemented, the position as at 15 January 2018 is as follows:

- 4 Recommendations have been implemented
- 7 Recommendations are in the process of being implemented.
- 1 Recommendation has a revised target date.
- 1 Recommendation has not reached its implementation date

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 (part exempt)

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

Synopsis of report:

To inform Members on progress made to date, by TIAA, with the 2017/18 Internal Audit Annual Plan.

Recommendation(s):

None: This 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 last meeting of this Committee in November 2017 for the 2017/18 planned audits.

2.2 The changes to the plan are an additional audit following a Whistle Blowing incident which was reported to the Committee in September 2017, with a follow up report made by the Chief Executive in November 2017.

2.3 In addition, an audit has been commissioned into the Waitrose Car Park at Egham. There will also be a follow up audit into Energy Grants, entitled 'ECO Help to Heat'.

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 (part exempt)

8. INTERNAL AUDIT STRATEGIC PLAN 2018/19 TO 2020/21 AND AUDIT PROGRAMME 2018/19 (TIAA)

Synopsis of report:

To seek approval of the Internal Audit Annual Audit programme for 2018/19 and three year Audit Strategy 2018/19 to 2020/21, produced by TIAA

Recommendation(s):

that the Audit programme for 2018/19 and the three year Audit Strategy for 2018/19 to 2020/21, as attached at Appendix 'D', be approved

1. Context of report

- 1.1 The Head of Audit from TIAA undertakes an annual review of future internal audit activity. Then, following consultation with Heads of Services, he produces an annual internal audit plan and three year audit strategy.

2. Report

- 2.1 The report attached at Appendix 'D', provides a detailed analysis of the review undertaken by TIAA, to identify the key systems and risks relating to the Council's activities, from which an annual internal audit plan and three year strategy is produced. Members are asked to consider this report and to approve the annual plan and three year strategy.

3. Policy framework implications

- 3.1 Internal audit is an integral part of the Council's internal control framework and provides assurance for the Standards and Audit Committee on the key systems and services provided by the Council.
- 3.2 Members are advised to contact Chris Harris (07766115439) or chris.harris@tiao.co.uk regarding this report for further information. He will also attend the meeting to answer any questions that Members might have.

4. Resource implications

- 4.1 Officers consider there are no resource implications arising from the suggested course of action.

(To resolve)

Background papers

Internal audit reports (part exempt)

9. **COMPLAINTS AND COMPLIMENTS 1 NOVEMBER – 31 DECEMBER 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 November 2017, up to 31 December 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 generally 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 12 formal complaints and 8 compliments recorded since the last meeting of this Committee relating to November and December 2017. Following a reminder to Officers, some entries have been added that relate to previous reporting periods. The table below shows the number of entries in each register from 1 June to 31 December 2017.

Business Centre	Complaints 2017			Compliments 2017		
	June - Aug	Sept - Oct	Nov - Dec	June - Aug	Sept - Oct	Nov - Dec
Corporate Services	1	4	0	0	0	0
Community Development	1	2	2	1	2	2
Environmental Services	5	5	3	2	1	5
Housing	4	7	3	3	0	0
Law and Governance	0	0	0	3	0	0
Planning	3	5	4	1	0	0
Resources	3	4	0	5	3	1
Totals	17	27	12	15	6	8

- 2.4 The number of complaints across Business Centres has either stayed the same or reduced and the number of compliments has remained consistent.
- 2.5 Of the 12 complaints received, there were 3 upheld, 1 partly upheld, 4 not upheld and the remaining 4 are in the process of being dealt with because of their more complex nature. These mainly relate to Planning and Housing issues.
- 2.6 The nature of complaints in this period concerned procedural issues, interaction with staff/contractors, service provision and/or standards and the time taken to respond to/resolve complaints or service requests. 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. One complaint was partly upheld (as referred to above), as it had two elements; the Council's policy and procedures were correct but it was acknowledged that a potential contractor for a particular piece of work in Green Space was at fault and was subsequently not engaged for the work in question; no fault was attached to our team.
- 2.7 There were 8 compliments received since the last meeting. These were for Chertsey Museum (1), Green Space (1), Environmental Services (Refuse and Recycling (4) and Licensing (1) and one for Revenues and Benefits. These referred to the quality of our service and the care and attention shown by individual Officers and/or teams.
- 2.8 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 more frequently.
- 2.9 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. Officers anticipate that this will go live early in the new financial year. This 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; this was race. It was reported that despite several attempts by Officers to contact the complainant in order to investigate and resolve their complaint, there has been no response. Therefore, Officers in the relevant department have concluded no further action.

(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.

10. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that -

the press and public be excluded from the meeting during discussion of the following report under Section 100A(4) of the Local Government Act 1972 on the grounds that the report 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
11.	ADDLESTONE ONE RISK REGISTER UPDATE	1 and 3
b)	<u>Confidential Items</u>	

(No items to be considered under this heading).

Standards and Audit Committee

Tuesday 30 January 2018

Appendices

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Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE28 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, Mrs Y P Lay, D W Parr,
A P Tollett and N Wase-Rogers.

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

368. FIRE PRECAUTIONS

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

369. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of their wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor J R Furey	Councillor D W Parr

The Chief Executive had given effect to this request in accordance with Section 16(2) of the Local Government and Housing Act 1989.

370. MINUTES

The Minutes of the meetings of the Committee held on 19 September and 6 November 2017 were confirmed and signed as correct records.

371. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S M Mackay and the two independent persons, there being no relevant items on the agenda.

372. INTERNAL AUDIT FOLLOW UP ON AUDITS COMPLETED IN 2016/17

The Committee reviewed progress made with implementing recommendations from the 20 completed audits in 2016/17.

TIAA were pleased to report that 29 recommendations had been implemented and a further 4 were in the process of being. One audit recommendation had been subject to a revised target date and a further 4 had not yet reached their implementation date. There were also 4 recommendations not yet implemented. These related to areas within the Resources Business Centre which were in the process of being restructured and an update would be reported to the next meeting in January. The new Resources structure was expected to be in place by April 2018.

Members considered detailed follow up reports on recommendations that were in the process of being implemented. These concerned stock control at the DSO, the reconciliation of records in Commercial Rents, contracts in Housing Repairs and Maintenance and the rent arrears Recovery Policy and Procedures for Housing Rents.

A particular issue with regard to pest control was raised which Members were advised to discuss directly with the Environmental Services Manager.

373. INTERNAL AUDIT PROGRESS REPORT 2017/18

The Committee noted progress with the 2017/18 Audit programme.

The following audits had already been completed: ICT Strategy, Safeguard/Prevent, Procurement and Building Control with 11 recommendations being made. There were no priority 1 recommendations. No frauds or irregularities had been reported since the last meeting, noting however that the additional audit on whistleblowing had been reported and discussed earlier that month. The following areas had been audited and a draft report issued: Risk Management, Day Centres, Governance and HR Absence Management. A number of audits had been deferred to Quarter 4 of 2017/18, including Housing Enforcement, Commercial Property Redevelopment, Trade Waste, Community Transport and Commercial Rents.

Members also noted the summary reports with regard to the ICT Strategy and Procurement audits. These contained between them 5 priority 2 recommendations.

TIAA advised that 4 audits in the Resources area were underway and TIAA were pleased generally with the progress that had been made to date.

374. COMPLAINTS AND COMPLIMENTS 1 SEPTEMBER – 31 OCTOBER 2017

The Committee noted an increase in reported complaints and a decrease in compliments since the last meeting. Updated figures were provided where new entries had been made to register by nominated Officers since the agenda had been published but which related to the period in question. As a consequence it was suggested that a review of the reporting timeframe be considered.

Officers reported that of the 26 complaints received, 5 had been upheld, 14 had not and the remaining 5 were still in the process of being dealt with. In terms of Equalities monitoring two complaints were identified as relevant to the protected characteristics of race and disability. Members highlighted feedback from residents that they were less satisfied with Enforcement. However, it was acknowledged that additional resources in this area were starting to make a difference.

Members noted 5 compliments relating to Chertsey Museum, Environmental Health and Customer Services. In addition, the Committee wished to record their thanks to the DSO workforce for their professionalism and efficient service.

375. ADDLESTONE ONE RISK REGISTER

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.

Officers shared with the Committee a confidential list of potential leases for the retail units. These showed a good balance of different outlets. It was hoped that this information could be made public soon. For the businesses already in place, Members noted that both Premier Inn and Waitrose were doing well and that a number of the residential units had been sold and were starting to be occupied. Works for the new Cinema were also progressing well.

Officers confirmed that there would be some disruption shortly while Market Street was re-surfaced which would last for a few weeks into January 2018.

There was some discussion about the worrying incidents of anti-social behaviour in Addlestone One. Officers had some intelligence about who was responsible and this was being followed up. Members were encouraged to report any incidents they witnessed to Safer Runnymede and the Police. With regard to Safer Runnymede, Members expressed some concern about the lack of a Police presence in Addlestone generally and suggested that the Borough Inspector be invited to a future meeting of the Committee. Members also sought some clarification of Safer Runnymede's role with regard to the Police and requested a list of incidents that could be reported by Safer Runnymede directly to the Police for a response. The correct contact number for Safer Runnymede out of hours was discussed and these points would be addressed by the Safer Runnymede Manager. It was noted however that there was very good CCTV coverage in Addlestone One.

Chairman

(The meeting finished at 8.30 pm)



Runnymede Borough Council

Follow Up Review of Outstanding 2016/17 Internal Audit Recommendations

2017/18

Executive Summary

INTRODUCTION

1. A follow up review relating to audit reports finalised during 16/17 was conducted in August to October 2017, with the results presented to the Standards and Audit Committee in November 2017. This included a total of 13 recommendations where the recommendations had not been fully implemented for the reasons listed below.

Outstanding items in November 2017 report:

Evaluation	Number of Recommendations
In Process of Being Implemented	4
Revised Target Date	1
Implementation Date not yet reached	4
Management comments not received	4

KEY FINDINGS

2. These items have continued to be monitored to ensure effective implementation of the recommendations. As at 9 January 2018, the status of these 13 recommendations is as follows:

Evaluation	Number of Recommendations
Implemented	4
In Process of Being Implemented	7
Revised Target Date	1

Evaluation	Number of Recommendations
Implementation Date not yet reached	1

3. For the four recommendations that have now been confirmed as implemented, no further action is necessary and specific details have not been included in this report.
4. For the one recommendation which has still not yet reached its implementation date, no further action was required at this time and, as such, specific details have not been included in this report. This recommendation will continue to be periodically monitored as it reaches the intended implementation date.
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:	
Date management responses received:	
Date final report issued:	

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.	
Action taken: In Process of Being Implemented.	
Audit Observation (November 2017): 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.	
Audit Observation (January 2018): It was advised by the Direct Services Manager that this recommendation has been implemented with the exception of the installation of the CCTV camera. Due to recent integration of the depot CCTV into Safer	

Runnymede there will be considerable cost involved in installing a camera which will be considered from April 2018 when additional budget is available.

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 (November 2017):

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.

Audit Observation (January 2018):

It was advised by the Direct Services Manager that this recommendation has been implemented with the exception of the installation of the CCTV camera. Due to recent integration of the depot CCTV into Safer Runnymede there will be considerable cost involved in installing a camera which will be considered from April 2018 when additional budget is available.

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 (November 2017): 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.	
Audit Observation (January 2018): As noted above, this is still a work in progress, with all contract procurement exercises due to be completed by the end of 2018. An update report was presented to the Housing Committee in November 2017, advising that the following contracts will be in place by the end of 2018: the Housing Demand contract; the Housing cyclical Gas Servicing contract; the Voids empty homes contracts; the Bathroom contract – programme works; the Kitchen refurbishment contract – programme works; and the Boiler replacement contract – programme works. This recommendation will continue to be monitored during 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 Estateman 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 (November 2017): 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>	
<p>Audit Observation (January 2018): It was advised by the Director of Commercial Services that a comprehensive appraisal of the Estateman Database has been undertaken, both in terms of the system and the contents of the database. This revealed a number of issues which has meant an even more thorough data cleaning and updating requirement has been identified. Due to the importance of bringing commercial property management up to standard, Members agreed in November 2017 to allocate further additional resources to complete the essential reconfiguration work required. Following the mobilisation of the new resources to fully commence in January 2018, the timescale for completion is now by 31/12/2018. However, throughout 2017/18 prioritisation has been allocated to the highest value assets to ensure their data</p>	

is both up to date and rent reviews, etc being undertaken. A comprehensive spreadsheet of commercial property assets has been prepared and shared with Finance to update the FMS and budgetary systems. This spreadsheet is identifying the opportunity cost of not undertaking rent reviews, lease renewals, etc but also captured the new income being generated through the proactive management of assets.

Regarding systems and procedures, Commercial Services have agreed with Finance that as of 01/01/2018 any changes to properties will be communicated formally, using a memo numbering system (to replace the in-triplicate self-carbonating forms). New transaction forms which are being used for cleansing data to go on Estateman are also to be used for communicating any change to the property portfolio. All amendments to Estateman are now being documented via a formal memo numbered by the Admin Assistant who is now the only person editing Estateman. Monthly meetings take place with Finance to review and action debt management.

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 (November 2017): 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.	
Audit Observation (January 2018): The annual Housing Rents audit review was carried out in December 2017, and it was confirmed that the expected timeframe for completion remains at 31/01/18. This recommendation will be followed up further once the revised implementation date is reached.	

Review: Council Tax

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

Implemented	2	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 that the policies and procedures relating to Council Tax are revised to reflect the changes that have occurred and changes that are due to occur.	
Action taken: In Process of Being Implemented.	
Audit Observation (January 2018): It was advised by the Head of Customer Services, Revenues and Benefits that that the review of Council Tax procedures is almost complete and a new set of procedures is being rolled out to staff – once these have been bedded in, the ACS system will be updated accordingly. A target date for full implementation has been set at 31/03/18.	

Review: Business Rates

From the review of the documentation and checks carried out the assessment is:			
Implemented	2	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 that the policies and procedures relating to Business Rates are revised to reflect the changes that have occurred and changes that are due to occur.	
Action taken: In Process of Being Implemented.	
Audit Observation (January 2018): It was advised by the Head of Customer Services, Revenues and Benefits that the review of procedures for Business Rates has begun and these procedures will be developed in line with the new Revenues structure which is due to go live May 2018. A target date of 30/09/2018 has therefore been set for these procedures to be complete and rolled out to staff.	

Review: Benefits

From the review of the documentation and checks carried out the assessment is:			
Implemented	1	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
At an appropriate time it would be good practice to review and update policies and procedures on the ACS Navigator.	
Action taken: In Process of Being Implemented.	
Audit Observation (January 2018): It was advised by the Head of Customer Services, Revenues and Benefits that the review of existing processes in Benefits has begun and this will also follow the Benefits structure review which is due to be complete by September 2018. A target date of 31/12/2018 has therefore been set for these procedures to be complete and rolled out to staff.	



Runnymede Borough Council

**Internal Audit Progress Report
2017/18**

Standards and Audit Committee – 30 January 2018

INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our 2017/18 work at Runnymede Borough Council as at 8 January 2018.

PROGRESS AGAINST THE 2017/18 ANNUAL PLAN

2. Our progress against the Annual Plan for 2017-18 is set out in Appendix A. The audits finalised since the last report are shown in section 5 below and where appropriate in Appendix B.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have not identified any 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
Risk Management	Reasonable	4/7/17	11/12/17	13/12/17	-	-	5	-
Safeguarding and Prevent	Substantial	20/9/17	1/10/17	3/10/17	-	-	2	-
Procurement	Reasonable	4/10/17	5/10/17	10/10/17	-	2	2	1
HR – Absence Management	Reasonable	27/6/17	6/11/17	8/11/17	-	3	-	1
Building Control	Substantial	18/10/17	28/10/17	30/10/17	-	-	-	-
Accounts Payable (Creditors)	Reasonable	15/12/17	17/12/17	22/12/17	-	1	2	2
Payroll	Reasonable	14/12/17	17/12/17	22/12/17	-	1	1	-

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 audits to the plan for 2017/18:

- Whistle Blowing Incident – audit review
- Waitrose Car Park claim – audit review
- ECO Help to Heat – a follow up to the Whistle Blowing incident

FRAUDS/IRREGULARITIES

7. No fraud or irregularity has been reported in the period since the last report to Committee.

LIAISON

8. 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 further 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	Final report issued December 2017	
Community Transport	1	5		Audit delayed at request of client now Q4
Safeguarding/Prevent	1	5	Final report issued October 2017	
Day Centres	1	5	Draft report issued September 2017	
Customer Services	1	8	Audit planning memorandum issued	Audit delayed at request of client now Q4
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	Final report issued November 2017	
Depot – to include Commercial (Trade) Waste from 2017/18	2	6		Audit delayed at request of client now Q4
Building Control	2	3	Final report issued October 2017	
Housing Enforcement	2	6		Now Q4
Housing Rents	2	6	Draft report issued December 2017	
Commercial Rents	2	8		Audit delayed at request of client now Q4
Commercial Property Redevelopment	3	11		Audit delayed at request of client now Q4
ICT – Member's Replacement IT	3	5		Now Q4

System	Planned Quarter	Days	Current Status	Comments
ICT – Cyber Security	3	8		Now Q4
ICT – Change Management	3	6		Now Q4
Benefits and Council Tax Support	3/4	10	In progress	
Council Tax	3/4	6	In progress	
Accounts Payable (Creditors)	3/4	6	Final report issued December 2017	
Accounts Receivable (Debtors)	3/4	6	Draft report issued December 2017	
Income – Cash and Bank	3/4	6	In progress	
Main Accounting (General Ledger)	3/4	6	In progress	
Payroll	3/4	8	Final report issued December 2017	
Non Domestic Rates (NDR)	3/4	6	In progress	
Treasury Management	3/4	6	In progress	
Follow Up	4	6		
Sheltered Centres	4	5		
Addlestone 1 (Town Centre Redevelopment-Second half year)	4	5		

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Recommendations – Priority 1 and 2 recommendations

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	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

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		has the responsibility to manage the register and to make sure it is complete and relevant.					

Audit Report HR – Absence Management
Report Issued: 8/11/17

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	For staff that hold more than one post, their sickness is recorded against each post rather than apportioned in accordance with the number of hours worked in each post. Thus as a result staff sickness is duplicated, and thus sickness reported is higher than it actually is.	Staff that have more than one post to have their sickness apportioned to each post in accordance with the hours worked, and not recorded against each post as this is duplication in counting.	2	<i>This has already been actioned.</i>	<i>Done</i>	<i>Human Resources Officer</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Audit testing found there were instances where appropriate evidence had not been submitted to support the period of sickness absence in accordance with the Council's sickness policy.	Staff to submit sickness self-certification forms and doctors' certificates to HR where applicable for all sickness absence in line with the Council's sickness absence policy.	2	<i>Managers are regularly chased on this. We will also write out to all managers to remind them of the importance of providing these documents.</i>	30/11/17	Head of HR
3	Compliance	Not all Line Managers had undertaken the return to work interviews, as part of the return to work process involves Line Managers signing of the sickness self-certification forms. It is important that Line Managers undertake the return to work interviews so that it is clear that staff are fit enough to be back at work, and that no specific action is required to enable the staff member to be able to fulfil their role.	Line Managers to undertake the return to work interviews for all staff that have been absent, and to sign the sickness self-certification forms to confirm that the interview has been undertaken and there is agreement in what is recorded on the sickness self-certification form.	2	<i>HR staff regularly encourage managers to do return to work interviews. A reminder of the importance of return to work interviews will be sent out to all managers as part of the e-mail on sickness issues in item 2.</i>	30/11/17	Head of HR

Audit Report: Accounts Payable (Creditors)
Report Issued: 22/12/17

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	Sample testing of purchase order and invoice authorisations highlighted two purchase orders and five invoices (relating to five officers in total) where individuals were able to electronically authorise items which were above their delegated authority level.	System parameters for the electronic authorisation of purchase orders and invoices be investigated to ensure that officers cannot authorise items above their delegated authority limits.	2	<i>This is a known system fault which is being corrected in V.17 which is due to be installed in early part of 2018.</i>	<i>By March 2018 depending on Consillium availability</i>	<i>Head of Financial Services</i>

Audit Report: Payroll
Report Issued: 22/12/17

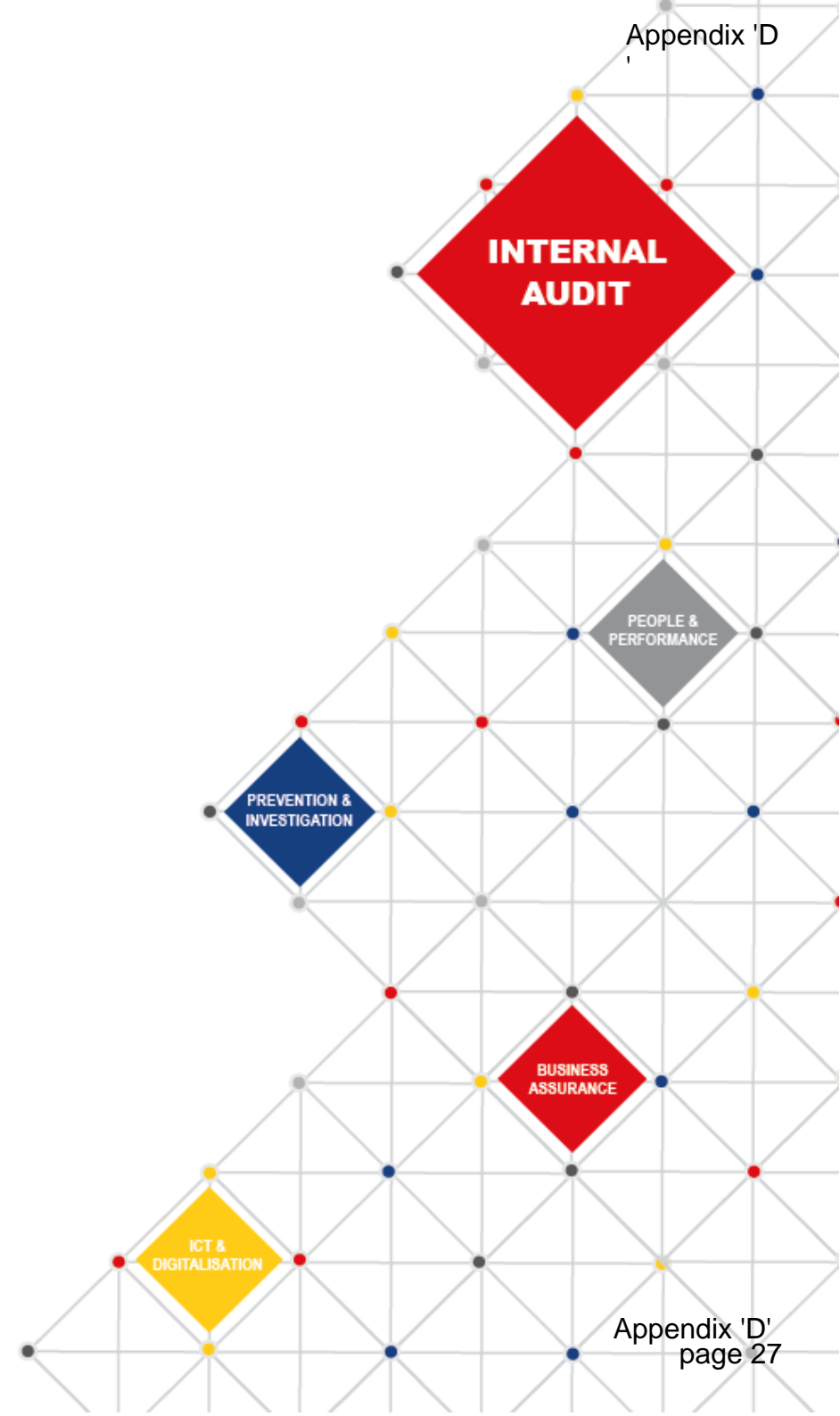
Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Sample testing of overtime claims highlighted that in two cases the actual amounts paid differed from the claim forms due to mathematical errors on input. While the amounts were not material and were accepted as cases of human error, this suggests a weakness in the process that the errors were not identified by the secondary check by Payroll officers.	Officers be reminded of the need for a thorough secondary check of claim forms to ensure that amounts processed agree to those submitted and mathematical errors are identified prior to processing.	2	<i>Email to all staff asking them to check declared amount is correct and that totalled correctly. Then managers are being asked to total the column as well to double check.</i>	31/12/17	<i>Senior Exchequer Services Officer (Payments & Payroll)</i>

Runnymede Borough Council

Strategic Plan 2018/19 to 2020/21 and Annual Internal Audit Plan 2018/19

FINAL

2018/19



Internal Audit Annual Plan

Introduction

This Annual Plan is drawn up in accordance with the Terms of Reference of TIAA and the Internal Audit Strategic Plan.

Audit Strategy Methodology

We adopt a proprietary risk based approach (GUARD) to determining your audit needs each year which includes reviewing your risk register and risk management framework, previous internal audit work for the Council, discussions with senior management, external audit recommendations together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. The Strategy will be based predominantly on our understanding of the inherent risks facing the Council and those within the sector and has been developed with the Section 151 holder. The resultant risk analysis underpinning your Audit Plans is set out at Annex A.

Internal Audit Strategic and Annual Plan

The rolling strategic plan is set out in Annex B. The Annual Plan (Annex C) sets out the reviews that will be carried out, the planned times and the scopes for each of these reviews. The rolling strategic plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Standards and Audit Committee throughout the financial year.

The planned time set out in the Annual Plan for the individual reviews includes: research, preparation and issue of terms of reference, production and review of working papers and reports and site work. The timings shown in the Annual Plan assume that the expected controls will be in place.

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Runnymede Borough Council and additional time will be required to carry out such testing. Runnymede Borough Council is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Audit Committee Responsibility

It is the responsibility of the Standards and Audit Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of the Public Sector Internal Audit Standards (PSIAS).

Progress Reports: Progress reports will be prepared for each Standards and Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in the Public Sector Internal Audit Standards (PSIAS). The Annual Report will include our opinion of the overall adequacy and effectiveness of Runnymede Borough Council's governance, risk management and operational control processes.

Liaison with the External Auditor

We will liaise with the Council's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Background

Runnymede Borough Council provides local government services to its borough. A regular internal audit of these services is required by the Accounts and Audit Regulations 2015.

Assurance Mapping

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance mapping process is set out in Annex D.

Audit Remit

The Audit Remit (Annex E) formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Runnymede Borough Council and defines the scope of internal audit activities and ensures compliance with the PSIAS.

Conflict of Interest

We are not aware of any conflicts of interest and should any arise we will manage them in line with PSIAS requirements, the Council's requirements and TIAA's internal policies.

Key Assurance Risk Areas (KARAS)

We have identified 5 'Key Assurance Risk Areas' upon which our audit planning process for Runnymede Borough Council will be built. For each audit assignment we will identify to which of the KARAs it is aligned. This then enables our Annual Report to set out our assessment of which, if any, of the individual KARAs the Council is most

exposed and equally important how this compares with our other similar clients. The KARA initiative enables the provision of additional assurance to the Council in that as well as a Council specific assurance assessment we are also able to place this assurance assessment in the context of comparable processes at other organisations.

KARA	Rationale
Probity and Statutory non-compliance	Assurance over core compliance risks.
High impact risks	Targets high risks at the Council and risks emerging from elsewhere.
Customer satisfaction	Assurance that the Council is delivering high-quality services to its customers.
Major change	Pro-active work to ensure planned changes do not cause disruption or damage the Council's internal control framework.
Operational delivery	Assurance on efficiency and effectiveness of the Council's service delivery.

Performance

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of planned audits.	100%
	Audits completed in time allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	95%
	Final report issued within 10 working days of receipt of responses.	95%
Professional Standards	Compliance with Public Sector Internal Audit Standards.	100%

Key Contact Information

Name	Contact Details
Name: Chris Harris Job Title: Audit Director	Email address: chris.harris@ttaa.co.uk Phone number: 07766115439
Name: Jonathan Sims Job Title: Client Manager	Email address: jonathan.sims@ttaa.co.uk Phone number: 07976 815945

Limitations and Responsibility

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

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.

Reliance will be 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.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Release of Report

The table below sets out the history of this plan.

Date plan issued:	21 December 2017
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Annex A: GUARD Risk Analysis

As part of the audit planning process an assessment of key risks has been completed, to identify those that are most relevant to the organisation and where internal audit assurance would be best focussed. These are summarised by priority below.

INTERNAL RISKS				EXTERNAL RISKS		
HIGH	MEDIUM	LOW		LOW	MEDIUM	HIGH
<i>Investing in the Commercial Property sector</i>			SPECIFIC RISKS TO RUNNYMEDE BOROUGH COUNCIL			<i>Loss of Commercial Tenants</i>
	<i>Being General Data Protection Regulation ready</i>				<i>Increase Changes to Interest Rates</i>	
		<i>Failing to maintain adequate policy and procedures</i>			<i>Parking</i>	
			EMERGING CHALLENGES FROM OUR CLIENT BASE			<i>Central Government Funding</i>
<i>Funding</i>					<i>Cyber Crime</i>	
	<i>Service delivery</i>				<i>Other fraudulent activity</i>	
		<i>Recruitment challenges</i>				

Annex B:

Annual Plan – 2018/19

Quarter	Audit	Type	Days	Rationale	Prog ref
3/4	Addlestone One (Town Centre Redevelopment	Assurance	6	<p><u>Rationale:</u> The Addlestone 1 (Town Centre Redevelopment) is a major construction project for the Council and presents a high level of risk in terms of cost, reputation and customer satisfaction.</p> <p><u>Scope:</u> This will be a post completion benefits realisation review.</p>	
3/4	Commercial Property Redevelopment Projects to include: Egham phase 1 Egham Leisure Other – money back/RBC Companies/property purchase	Assurance	11	<p><u>Rationale:</u> The Council have embarked on a regular investment and development programme of work throughout Runnymede. This presents a high risk for the Council in that significant sums are now to be borrowed, major contracts are to be tendered and properties either sold, rented out or leased to tenants following development.</p> <p><u>Scope:</u> The scope will include: For the development projects:</p> <ul style="list-style-type: none"> • Reviewing progress and costs against the pre-determined targets. • Examining the many change orders produced since the last audit. • Reviewing the governance and reporting arrangements. • Reviewing the payments made to the contractor and the supporting evidence. <p>For the RBC companies:</p> <ul style="list-style-type: none"> • Reviewing the governance arrangements • Reviewing decisions taken and reporting mechanisms – to include Committee papers • Reviewing Separation of Duties/Conflicts of Interest for Directors of the RBC companies <p>For Property Purchase:</p> <ul style="list-style-type: none"> • Reviewing decisions taken and reporting mechanisms – to include Committee papers • Reviewing policy and procedures • Reviewing Governance arrangements 	
1	Business Continuity	Assurance	6	<p><u>Rationale:</u> Business Continuity is essential for maintaining essential services to the community and Business Continuity Plans need to be tested to confirm they are resilient and able to provide continuation of business as usual. A periodic audit will provide assurance that Services will continue as required after a disruption.</p> <p><u>Scope:</u> The review will assess the adequacy and effectiveness of the internal controls</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>in place at the Council for managing the business continuity planning process and ensuring that the Council is resilient to disruptive events that may impact upon the organisation. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Business Continuity risks per the Strategic and Operational risk registers have action plans to mitigate risk; • Appropriate Corporate and Service Continuity plans are in place, which are regularly reviewed and readily accessible to staff; • Business Impact Assessments are completed on a regular basis; • Staff and additional financial resources required to execute the plans are adequate and available; • Adequate training is provided to officers to ensure they are fully aware and understand their responsibilities in the event of an incident occurring; and • Business Continuity Plans are periodically tested to ensure their effectiveness, with lessons learned being integrated into the planning process. 	
1	Data Protection and Information Governance	Assurance	6	<p><u>Rationale:</u> Failure to comply with the new General Data Protection Regulations could mean very substantial fines. An assurance audit to assess compliance with the Regulations will help to identify any weakness or omission.</p> <p><u>Scope:</u> To review compliance with the General Data Protection Regulations (GDPR).</p> <p>The review will directly assess how compliant the Council is with the GDPR. This will include key elements such as (but not limited to):</p> <ul style="list-style-type: none"> • Privacy Impact Assessments • Data Subject rights (e.g. Right to be forgotten) • Data Classification and Asset management • Data Security • Breach Management • Governance • Consent • Data Controllers & Processors 	
3/4	Commercial Rents	Assurance	6	<p><u>Rationale:</u> Commercial Rents are becoming a major income stream for the Council and an annual audit is required to provide assurance that all rents are collected in accordance with the rental/lease agreement</p> <p><u>Scope:</u> The review will consider the following key areas:</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<ul style="list-style-type: none"> • How the rental arrangements with Sainsbury's at the Egham site are being managed following previous failure to apply a rent rise. • The current portfolio of commercially rented properties and how these are managed/verified are accurate within the Estatemanager system. • To establish and confirm that all commercial rents are appropriately recorded with trigger dates for rent reviews are in place. • To establish that the database of commercial properties is accurate and up to date. • To sample test a number of commercial properties to confirm that rents are paid in accordance with their agreement 	
1	Human Resources - Recruitment	Assurance	6	<p><u>Rationale:</u> This is a periodic audit to provide assurance over the recruitment function at the Council</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the recruitment process. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Appropriate procedures are in place for fixed term and permanent staff recruitment, which are readily accessible as guidance to all relevant staff for the recruitment process; • Roles and responsibilities for initiation of the vacancy per the self-service process and the managing of the recruitment process are clearly defined; • Appropriate training has been carried out for line managers to ensure compliance with procedures; • Adequate records are maintained for all recruitment exercises; • Sample testing to verify compliance with procedures relating to: advertising and openness; shortlisting; interview and evaluation process for selection; approval processes; job offer and acceptance; pre employment checks; employment contracts; and probationary period appraisals. • Appropriate procedures are in place to deal with complaints from applicants; and • Appropriate management reporting is in place. 	
1	Whistle Blowing – Follow up	Follow up	3	<p><u>Rationale:</u> This will be a follow up following a Limited Assurance audit in 2017/18</p> <p><u>Scope:</u> To follow up on the recommendations made in 2017/18.</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
1	Counter Fraud	CF	8	<p><u>Rationale:</u> Potential fraudulent activity both internal and external is a real risk for the public sector and a periodic audit should be undertaken to assess the Council's preparedness.</p> <p><u>Scope:</u> The focus of the review will be determined in discussions with the Corporate Director of Resources.</p>	
3/4	Benefits and Council Tax Support	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Housing Benefits/Council Tax Support function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> • Appropriate policies and procedures are in place for managing the Benefits process. • Access to the Benefits system is restricted and adequately controlled. • Standard variables/parameters are independently reviewed at the start of the year. • Benefits are properly due and correctly calculated, with appropriate sample checks carried out. • Payment runs are subject to independent review and authorisation prior to payment. • System performance is monitored and Benefits data regularly reconciled. • Overpayments are identified and promptly followed up. • Write-offs are approved by senior officers in accordance with authorised procedures 	
3/4	Non-Domestic Rates (NDR)	Assurance	11	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review the adequacy and effectiveness of the controls in place at the Council for the management of the Business Rates function. The audit will focus on the following:</p> <ul style="list-style-type: none"> • There are up to date documented procedures for Business Rates; • System access is adequately controlled; • The correct charges have been applied; • Regular reconciliations are carried out with Valuation Office listings; • Discounts and exemptions are approved by authorised staff and supported by documentary evidence; • Refunds are appropriately approved and authorised prior to payment; • Arrears are promptly identified and pursued and any write offs are valid and authorised; • Suspense accounts are regularly cleared and any exception reports are 	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>regularly reviewed; and</p> <ul style="list-style-type: none"> Systems are adequately monitored and reconciled <p>In addition, a full examination of the total data held will be reviewed using data analytics techniques.</p>	
3/4	Council Tax	Assurance	11	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review the adequacy and effectiveness of the controls in place at the Council for the management of the Council Tax function. The audit will focus on the following:</p> <ul style="list-style-type: none"> There are up to date documented procedures for Council Tax; System access is adequately controlled; The correct charges have been applied; Regular reconciliations are carried out with Valuation Office listings; Discounts and exemptions are approved by authorised staff and supported by documentary evidence; Refunds are appropriately approved and authorised prior to payment; Arrears are promptly identified and pursued and any write offs are valid and authorised; Suspense accounts are regularly cleared and any exception reports are regularly reviewed; and Systems are adequately monitored and reconciled. <p>In addition, a full examination of the total data held will be reviewed using data analytics techniques.</p>	
3/4	Accounts Payable (Creditors)	Assurance	6	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Creditors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> Recommendations from the previous audit report have been implemented, Adequate policies and procedures are in place and accessible to all relevant staff; System access is restricted to authorised personnel only; New supplier set up/amendments to supplier details are subject to satisfactory segregation of duties; Payments are supported by proper documentation, properly authorised, correctly coded, and subject to satisfactory segregation of duties; and Regular reconciliations are carried out between the purchase ledger module 	

Quarter	Audit	Type	Days	Rationale	Prog ref
				and the general ledger control account.	
3/4	Accounts Receivable (Debtors)	Assurance	6	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Debtors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit report have been implemented; • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only; • Invoices and credit notes are raised following appropriate authorisation, and are actioned promptly and accurately; • Regular reconciliations are carried out between the sales ledger module and the general ledger control account; • Regular reviews of outstanding debtors are undertaken using aged debtor listing, with arrears action carried out promptly in accordance with procedures; and • Write-offs are approved by senior officers in accordance with procedures 	
3/4	Income – Cash and Bank	Assurance	6	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Income (Cash & Bank) function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit report have been implemented; • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only; • Adequate controls are in place to ensure amounts received are accurately and promptly banked; • Adequate security is in place to manage all cash received and banking arrangements; • Regular reconciliations are carried out between the cash receipting system, the general ledger and the Council's bank account; and • All items posted to suspense accounts are checked and regularly cleared. 	

Quarter	Audit	Type	Days	Rationale	Prog ref
3/4	Payroll	Assurance	11	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • Recommendations from the previous audit report have been implemented; • Adequate policies and procedures are in place and accessible to all relevant staff; • System access is restricted to authorised personnel only; • Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and • Reasonableness checks and regular reconciliations are carried out. <p>In addition, a full examination of the total data held will be reviewed using data analytics techniques.</p>	
3/4	Budgetary Control	Assurance	6	<p><u>Rationale:</u> This is a periodic audit to provide assurance over the budgetary Control process.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for the management of the financial budget for the Council. The review will focus on the following areas:</p> <ul style="list-style-type: none"> • Adequate policies and procedures are in place and accessible to all relevant staff; • Budgets are comprehensive, with realistic assumptions, and are appropriately approved; • Budgets are loaded into the ledger completely and accurately; • Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined; • Budget monitoring reports are provided on a timely basis; • Reasonable variance levels are set which trigger action and explanation; and • Budget virements are subject to appropriate authorisation. 	
3	ICT – TBA	Assurance	6	Contingency time. Audits to be confirmed with Head of ICT and reported back to a future Standards and Audit Committee	
3	ICT – TBA	Assurance	6		

Quarter	Audit	Type	Days	Rationale	Prog ref
3	ICT - TBA	Assurance	6		
4	Procurement/Contracts	Assurance	6	<p><u>Rationale:</u> This is a regular audit to provide assurance that the Council's procurement and contracting procedures are sound and working well.</p> <p><u>Scope:</u> The audit will examine the following key areas:</p> <ul style="list-style-type: none"> • The control framework is adequate to ensure that procurement and contracts are issued in compliance with the Council's Constitution, policies and procedures. • Procurement and Contracts are undertaken to support an efficient procurement and contracting process. • Appropriate systems and practices are in place for the sound management of procurement and contracts. • Appropriate records are maintained, in particular the Contracts Register and compliance with the Transparency Code. • Appropriate monitoring and post implementation review takes place to confirm that value for money has been achieved 	
3/4	Project Management Toolkit	Assurance	5	<p><u>Rationale:</u> Project Management is a high risk and a periodic assurance audit will help identify any weakness in the management of projects.</p> <p><u>Scope:</u> The audit will consider the following key areas:</p> <p>The project management framework including Project Management Toolkit, procedures/templates and guidance covering project management activities;</p> <p>Review of a sample project from the initial stages through to when the project is in progress covering:</p> <ul style="list-style-type: none"> • Project Initiation Document (PID) • Initial plan • Risk and Issues logs • Budgetary control • Quality log • Stakeholder Analysis and Communications Plan • Resource management • Approval of projects by Committee/Council • Monitoring of the operational and financial progress of projects by Project Team/Committee/Council; and • Escalation of project risks from individual project risk logs/registers, corporate 	

Quarter	Audit	Type	Days	Rationale	Prog ref
				risk register and strategic risks, as appropriate.	
1	Building Services	Assurance	5	<p><u>Rationale:</u> This is a periodic audit to provide assurance over the Building Services operation.</p> <p><u>Scope:</u> The review will consider:</p> <ul style="list-style-type: none"> • Contracts let for Building Services comply with the Councils Standing Orders and procedures • Payments made for demand led work can be traced to orders and evidence of work carried out, • There is a building inspection routine based on a risk assessment which is followed and recorded, • Issues reported by engineers employed by the Council's insurers are acted on in a timely manner, and action is recorded. <p>Review the system to:</p> <ul style="list-style-type: none"> • Identify what work is required and ordered. • Ensure that the person who pays the bill has evidence that what was ordered = what was done = what is being charged for at the correct price. In addition, sample test to confirm this and identify any unreasonable time lapses. Review if estimates on the Estateman system are being entered and if they bear any relation to the actual cost. 	
1	Enforcement	Assurance	6	<p><u>Rationale:</u> This is a periodic audit to provide assurance over the Planning Enforcement process.</p> <p><u>Scope:</u> The audit will include the following keys areas of activity:</p> <ul style="list-style-type: none"> • The policy and procedures to include the Legal, Organisational and Management arrangements • Enforcement Notices • Inspections and Monitoring • Appeals • Data and Information Security • Risk and how this is managed 	

Quarter	Audit	Type	Days	Rationale	Prog ref
2	Housing Rents	Assurance	8	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To audit will review the following key areas:</p> <ul style="list-style-type: none"> • There are up to date documented procedures for all aspects of the rent, accessible to all staff who need them, • Recommendations from the previous audit report have been implemented, • Rents due are being collected and promptly allocated to the correct rent accounts, • Benefits awarded are being properly allocated to the correct rent accounts, • Case records provide a management trail and complete case history 	
1	Community Grants	Assurance	5	<p><u>Rationale:</u> Community Grants is an important service for the Council and a periodic audit is undertake to confirm the service is compliant with legislation and in accordance with the Council's Policies and procedures</p> <p><u>Scope:</u> The Audit will review the following:</p> <ul style="list-style-type: none"> • There are up to date documented policy and procedures in place • All monies expended are done so in accordance with the grant agreement and recorded on the correct code, • Grants are approved by committee, • VAT is correctly accounted for, • There are adequate controls in place with regard to how grant money is spent. • Adequate monitoring and management of grants awarded takes place 	
4/5	Follow up	Verifying recommendations are implemented	6	<p><u>Rationale:</u> This is an annual review of the recommendations made during the year to confirm that there has been progress to implement them.</p> <p><u>Scope:</u> All recommendations made during the year are reviewed to confirm what progress has been to implement them as agreed in the action plan</p>	
4	2019/20 Annual Plan		-		
4	Strategic Plan		-		

Quarter	Audit	Type	Days	Rationale	Prog ref
4	2018/19 Annual Report		-		
1-4	Management, QA and Support		-	This time includes attendance at Standards and Audit Committee meetings, liaison meetings and overall contract management.	
		Total days	178		

Rolling Strategic Plan

Review Area	KARA Risks 2018/19	Type	Days Required			
			2017/18 Actual	2018/19	2019/20	2020/21
Corporate Services and/or Council Wide Audit						
Risk Management		Assurance	6		6	
Addlestone 1 - (Town Centre Redevelopment) – First half year		Assurance	5			
Addlestone 1 - (Town Centre Redevelopment) – Second half year (Benefits realisation)	High Impact Risks	Assurance	5	6		
Commercial Property redevelopment projects – to include in 2017/18: Egham phase 1 Egham Leisure Other – money back/RBC Companies/property purchase	High Impact Risks	Assurance	11	11	11	11
Business Continuity	Probity and Statutory non-compliance	Assurance		6		5
Data Quality (include security of data)		Assurance			7	
Data Protection - (Information Governance)	Major Change	Assurance		6		6
Commercial Rents	High Impact Risks	Assurance	8	6	6	6
Human Resources – Absence Management		Assurance	5			5
Human Resources – Recruitment	Probity and Statutory non-compliance	Assurance		6		
Whistle Blowing Investigation – Follow up	Follow up audit	Follow up	10	3		
Counter Fraud				8		8
Financial and Resources Audit						
Benefits and Council Tax Support	Probity and Statutory non-compliance	Assurance	10	10	10	10
Non-Domestic Rates (NDR)	Probity and Statutory non-compliance	Assurance	6	11	6	11
Council Tax	Probity and Statutory non-compliance	Assurance	6	11	6	11
Accounts Payable (Creditors)	Probity and Statutory non-compliance	Assurance	6	6	6	6
Accounts Receivable (Debtors)	Probity and Statutory non-compliance	Assurance	6	6	6	6
Income – Cash and Bank	Probity and Statutory non-compliance	Assurance	6	6	6	6

Review Area	KARA Risks 2018/19	Type	Days Required			
			2017/18 Actual	2018/19	2019/20	2020/21
Main Accounting (General Ledger)		Assurance	6		6	
Payroll	Probity and Statutory non-compliance	Assurance	8	11	8	11
Budgetary Control	Probity and Statutory non-compliance	Assurance		6		6
Capital Accounting and Asset Management		Assurance			6	
Treasury Management		Assurance	6		6	
Insurances (include staff owned vehicles on Council business)		Assurance				6
Customer Services		Assurance	8			
ICT Audit						
ICT - Service Desk		Assurance				
ICT - Change Management and control		Assurance				
ICT – Strategy (include Policy and procedures)		Assurance				
ICT – Document Management System		Assurance				
ICT – Service Level Agreements		Assurance				
ICT – Virtual Desktop		Assurance				
ICT – Member's Replacement IT		Assurance				
ICT - Operations		Assurance				
ICT – Disaster Recovery		Assurance				
ICT – Cyber Security		Assurance	8			
ICT – GDPR			6			
ICT – Project Management			5			
ICT – Contingency days	Probity and Statutory non-compliance	Assurance		18	18	18
Operational Audit - Law and Governance						
Procurement/Contracts	Major Change	Assurance	6	6	6	6
Project Management Toolkit	Major Change	Assurance		5		
Governance – Gifts and Hospitality		Assurance				5
Governance – Corporate (Constitution, Members/transparency and openness/Reporting)		Assurance	6		6	
Elections and Electoral Registration		Assurance				6
Freedom of Information		Assurance			6	
Operational Audit - Planning and Environment						

Review Area	KARA Risks 2018/19	Type	Days Required			
			2017/18 Actual	2018/19	2019/20	2020/21
Depot – to include Commercial (Trade) Waste from 2017/18		Assurance	6		6	
Building Services	Probity and Statutory non-compliance	Assurance		5		
Building Control		Assurance	3			
Car Parking		Assurance			6	
Development Control		Assurance				5
Licensing		Assurance			6	
Runnymede Travel Initiative	Customer Satisfaction	Assurance			5	
Enforcement	Operational Delivery	Assurance		6		
Operational Audit-Housing and Community Development						
Housing Rents	Probity and Statutory non-compliance	Assurance	6	8	6	8
Housing Allocations and Homelessness		Assurance			6	
Housing Repair and Maintenance		Assurance			6	
Housing Enforcement		Assurance	6			6
Leisure Contract		Assurance				5
Community Safety		Assurance				5
Community Grants	Customer Satisfaction	Assurance		5		
Community Transport		Assurance	5			
Safeguarding/Prevent		Assurance	5			
Day Centres		Assurance	5			
Sheltered Centres/Accommodation		Assurance	5			
Other						
Follow up of recommendations	Follow up	Follow up	6	6	6	6
Annual Report			-	-	-	-
Audit Management - to include annual plan, client liaison, Committee preparation and attendance, external audit.			-	-	-	-
Contingency			-	-	-	-
		Totals	196	178	179	184

Annex D: Assurance Mapping (For Information)

Corporate Assurance Risks

We consider four corporate assurance risks; directed; compliance; operational and reputational, and tailor the type of audit accordingly. For all types of audit we also taken into account value for money considerations and any linkages to the organisational Assurance Framework. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

Assurance Assessment Gradings

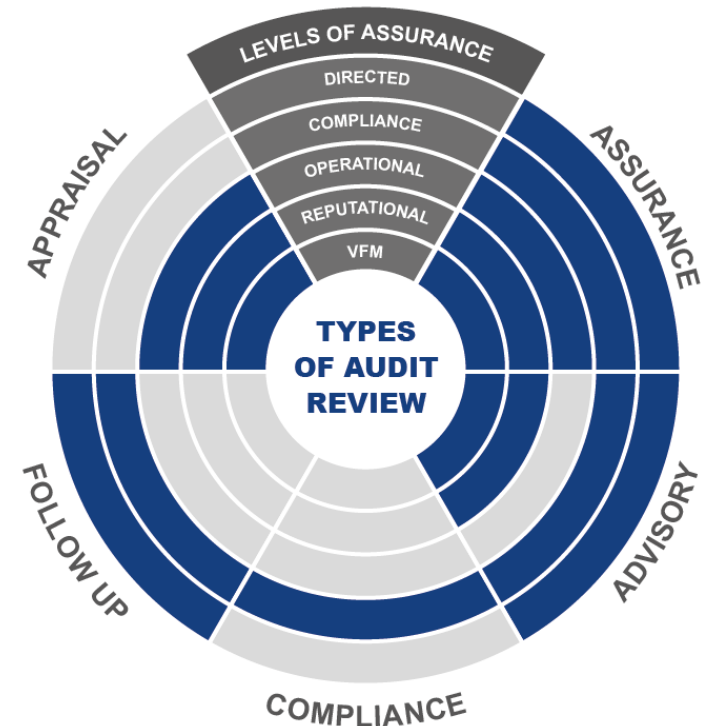
We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

LEVELS OF ASSURANCE PROVIDED



Types of Audit Review

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.



Annex E: Audit Remit (For Information)

Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. TIAA is responsible for giving assurance to Runnymede Borough Council Standards and Audit Committee on the adequacy and effectiveness of the Council's risk management, control and governance processes.

Scope

All Runnymede Borough Council's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Council's management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the Standards and Audit committee or the Section 151 holder being the nominated officer responsible for the day to day liaison with TIAA, provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of the Council and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within Runnymede Borough Council and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the Standards and Audit Committee and the Section 151 holder.

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the Council's management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate officer, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2003.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so