



Standards and Audit Committee

Tuesday, 25 January 2022 at 7.30 pm

**Council Chamber, Runnymede Civic Centre,
Addlestone**

Members of the Committee

Councillors: J Sohi (Chairman), D Anderson-Bassey (Vice-Chairman), M Adams, A Alderson, J Broadhead, R Edis, L Gillham, N King, M Kusneraitis and J Olorenshaw

In accordance with Standing Order 29.1, any Member of the Council may attend the meeting of this Committee, but may speak only with the permission of the Chairman of the Committee, if they are not a member of this Committee.

AGENDA

Notes:

- 1) **The following Measures to comply with current Covid guidelines are in place:**
 - **restricting the number of people that can be in the Council Chamber to 60**
 - **temperature check via the undercroft for Members/Officers and Main Reception for the public**
 - **NHS track and trace register, app scan is next to the temperature check**
 - **masks to be worn when moving around the offices**
 - **masks can be kept on whilst sitting in the Council Chamber if individuals wish**
 - **use of hand sanitisers positioned outside and inside the Council Chamber**
 - **increased ventilation inside the Council Chamber**

- 2) 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.

- 3) 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 Section, Law and Governance Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425627). (Email: clare.pinnock@runnymede.gov.uk).

- 4) 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.
- 5) 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.
- 6) **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	<u>Page</u>
Part I	
Matters in respect of which reports have been made available for public inspection	
1. Notification of Changes to Committee Membership	
2. Minutes	4 - 8
	To confirm and sign, as a correct record, the Minutes of the meeting of the Committee held on 23 November 2021 (Appendix A).
3. Apologies for Absence	
4. Declarations of Interest	
	Members are invited to declare any disclosable pecuniary interests or other registrable and non-registrable interests in items on the agenda.
5. Summary Internal Controls Assurance (SICA) Report 2021/2022	9 - 21
6. Internal Audit Progress Report for Outstanding Recommendations	22 - 32
7. Internal Audit Indicative Audit Strategy 2022/2025 and Annual Plan 2022/2023	33 - 48
8. The Financial Management Code	49 - 68
9. Complaints and Compliments Quarter 3 2021/2022	69 - 74
10. Exclusion of Press and Public	75

Part II

Matters involving exempt or confidential information in respect of which reports have not been made available for public inspection

Exempt Appendix A to item 9 Complaints and Compliments Quarter 3 2021/2022

Appendix A

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

23 November 2021 at 7.30pm

Members of the Committee Present: Councillors J Sohi (Chairman), M Adams, J Broadhead
L Gillham, C Howorth, N King and J Olorenshaw

Members of the Committee absent: Councillors A Alderson, R Edis and M Kusneraitis

Fire Precautions

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

Notification of Changes to Committee Membership

The Group mentioned below had notified the Chief Executive of its 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</u>	<u>Appoint instead</u>
Conservative	Councillor D Anderson-Bassey	Councillor C Howorth

The Chief Executive had given effect to the change to Committee membership in accordance with section 16(2) of the Local Government and Housing Act 1989.

Minutes

The Minutes of the meeting of the Committee held on 22 September 2021 were confirmed and signed as a correct record.

Apologies for Absence

Apologies for absence were received from Councillors A Alderson and M Kusneraitis.

Declarations of Interest

There were no declarations of Interest.

Summary Internal Controls Assurance (SICA) Report 2021/2022

The Committee noted progress with audits from the 2020/2021 programme. One audit had been completed as a follow up on the previous one regarding Housing Health and Safety. This was a 'reasonable' outcome with 3 priority 3, and 1 operational recommendations being made. Members were asked to note that this audit had given rise to an issue of Governance Framework but was not yet a cause for concern as only based on one audit.

TIAA had surveyed clients about the effectiveness of remote meetings, finding them to be a positive step. The Committee was advised that the Council had not lobbied

central Government about a return to remote meetings and that the Local Government Association sought evidence to justify a review. There were two schools of thought about virtual meetings. Firstly, that in person meetings demonstrated openness and visibility but on the other hand, with modern technology, webcasting made meetings more accessible to a wider audience. Members requested that feedback be given to the Local Government Association about the benefits of remote meetings, with a call to support primary legislation to facilitate this.

Members were concerned by the number of audits that some senior managers had requested be deferred to Quarter 4 of 2021/2022. It was considered that the pandemic might be unjustifiably cited as a reason to delay being audited in some cases, and the situation would be monitored.

The Committee was advised that any of the briefing notes issued by TIAA could be made available on request. One concerned VM Ware Vulnerabilities and Officers confirmed that this had been addressed in September when the notification was issued.

Internal Audit Progress Report for Outstanding Recommendations 2021/2022

The Committee reviewed progress with the implementation of six outstanding recommendations made by TIAA. Three concerned the Depot, where owing to other priorities, Officers had been unable to make any progress. Officers confirmed that other Depot matters, specifically the recruitment and retention of HGV drivers and a proposed change to working patterns to accompany a route optimisation programme were being addressed by the Environment and Sustainability Committee.

In respect of Housing Health and Safety, policies were coming forward which was pleasing, and the other two concerned Safeguarding. Members were disappointed that the Safeguarding recommendations had not been actioned. Officers confirmed that these were now being addressed as a priority by the Corporate Head who had assumed responsibility for that area following the departure of the previous Corporate Head. It was understood that an 'awayday' for the Council's Senior Leadership Team was soon to take place, at which such matters would be raised. Members queried the scope of the Safeguarding audit. This was confirmed as having the following three strands; roles and responsibilities, process where safeguarding concerns related to the conduct of Councillors and staff and their interaction with residents and policies and procedures for safe working practices, for example lone working.

Training for new Councillors was discussed in this regard and Officers agreed to consider the topic of personal safety being delivered by the Suzy Lamplugh Trust, Surrey Police and/or a similar organisation as part of the Induction programme. Officers would also check whether an email on the subject from Surrey Police could be disclosed to Councillors.

Process for the Appointment of External Auditors 2023-2024

The Committee's approval was sought to recommend that the Council took advantage of the Public Sector Audit Appointments (PSAA), national framework scheme to procure and appoint external auditors for 2023/2024 when the current provider's contract reached the end of its term. The new contract would be for the period 2023/2024 to 2027/2028.

Officers advised that the audit landscape had changed since the last appointment, and the sector faced a number of challenges, brought to light in the Kingman Review commissioned by central Government, which amongst other things recommended the establishment of a new audit regulator, ARGA, to improve audit quality and performance.

There were a number of advantages to using the PSAA route which would make the process less onerous and had a better guarantee of appointing an appropriately registered, experienced and qualified auditor to fulfil its statutory obligations when auditing the Council's Statement of Accounts. This option, as opposed to conducting a local procurement exercise, would also ensure the appointed auditors, of which there were currently nine potential companies for local authorities, were suitably independent and would minimise costs by pooling resources on behalf of participating authorities. Bidders would be required to meet quality standards as stipulated by the PSAA and put forward realistic prices tailored to the authority they chose to bid for under the framework.

The PSAA would commence the formal procurement exercise in early February 2022 and expected to award contracts in August 2022 and then consult with local authorities on the appointment of auditors so that appointments could be made by the statutory deadline of 31 December 2022.

Officers confirmed that since the last report, unfortunately BDO had not yet finalised the accounts audit for 2019/2020. They had to be reviewed by a senior partner to conclude the value for money assessment. This being the case, the issue of the auditor's fee would need to be picked up by the new Assistant Chief Executive in order to conclude the 2019/2020 external audit of the Council's Statement of accounts and to report back to the Committee if any increase in fee was to be recommended for approval by Corporate Management Committee. Officers confirmed there was a full audit trail to evidence future discussions and with the PSAA should arbitration be necessary. In any event it was likely that the fee would be increased in future and could be backdated once a resolution was found.

The Committee fully agreed with the proposed way forward, noting the legal and resource implications.

RECOMMEND to Full Council on 9 December 2021 that –

the Council wishes to opt in to the Public Sector Audit Appointments (PSAA) national auditor appointment scheme

Changes to the LGA Model Code of Conduct

The Committee's approval was sought to recommend adoption of an amended Model Code of Conduct for elected Councillors and co-opted Members following an update from the Local Government Association (LGA).

The Committee recalled that the new Model Code of Conduct was adopted in April 2021, new declarations of interest forms had been produced and the website updated accordingly. However, in September 2021, the LGA wrote to local councils to advise some errors and omissions had been identified in the version the LGA had circulated in late 2020 which were duly noted, recognising that the Code was a living document.

Members reviewed the proposed changes, some of which were minor typos, others more significant, such as the move of unpaid directorships from the employment box to become an 'other registrable interest'. Members were advised that one matter was still outstanding which might necessitate re-adoption if a further amendment was needed once the LGA had clarified the matter of whether ordinary membership of a body covered by 'other registrable interests' had to be declared or not.

The Committee agreed that rather than ask Councillors to complete a new form, Officers would make the necessary changes and bring them to Members' attention for their confirmation that the details were correctly recorded, subject to adoption of the updated code by full Council in December 2021.

At the same time as notifying local authorities about changes to the Model Code of Conduct, Monitoring Officers were asked for their opinion on how training should be delivered to elected Councillors about the Code. Officers had responded that a mixture of e-learning and 'train the trainer' were the preferred options, being cost effective and more likely to be attended.

With regard to reviewing the Code, Members agreed that it would be sensible to conduct such a review early in the new year so that any re-adoption could take place at the same time as that of the Council's Constitution.

Officers would as part of the review, survey Councillors, and report findings back to the LGA for their review, to include comments about the complications of multiple agencies' requirements to declare interests as discussed at the meeting.

Finally, Officers had confirmed that Runnymede had adopted the Model Code in full. Hence, for example, taking on board the substantive change to the wording with regard to how Members with an interest should proceed in matters of Executive decisions, for the sake of completeness although it did not apply to Runnymede which operated a Committee structure and decision making process.

RECOMMEND to Full Council on 9 December 2021 that –

- i) the revised model code of conduct be recommended for adoption; and**
- ii) approval is given to the Corporate Head of Law and Governance to amend as necessary the Declarations of Interest forms (paper and electronic versions), completed by elected Members and co-opted Members, to reflect the changes to the Model Code of Conduct**

Complaints and Compliments Quarter 2, 2021/2022

The Committee received for information a report summarising the 19 complaints and 30 compliments recorded centrally for Quarter 2 of 2021/2022.

Members were pleased at the level of compliments and the low number of complaints that had been upheld (8), noting that a number of those upheld had also involved contractors.

The Committee appreciated the section of the report on lessons that could be learned from some of the complaints that were upheld. For example, the importance

of having a deputy to deal with complaints, including outstanding issues in handover notes and to avoid delays, reviewing how complaints were routed, if not received directly by the relevant Officer. The importance of proper service level agreements with contractors was also noted.

Officers confirmed that the staff and teams who received compliments would be personally thanked via email on behalf of the Committee, as had become established practice.

The Committee reviewed the breakdown of results by Business Centre and Ward, with compliments there were a number from visitors to the borough about parks and open spaces and Chertsey Museum as well as those making enquiries about cemetery records.

Officers highlighted an update to the registers to allow for equalities issues to be easily identified and to encourage monitoring of this data, whilst complying with Data Protection legislation regarding 'special data.'

In closing the meeting, the Assistant Chief Executive, was thanked for his service to the Council as he would be retiring at the end of December 2021.

Chairman

(The meeting ended at 8.30 pm)

Summary Internal Controls Assurance (SICA) Report 2021/2022 (TIAA, Chris Harris)

Synopsis of report:

To inform Members on the progress made to date by TIAA, the Council's internal auditors, on the 2021/2022 Internal Audit Annual Plan.

Recommendation(s):

None. This report is for information.

1. Context of report

- 1.1 Attached at Appendix 'A' is the most recent Summary Internal Controls Assurance (SICA) Report, as at 4 January 2022.

2. Report

- 2.1 The report identifies one audit which has been completed since the last meeting in November 2021 (Housing - Repairs and Maintenance) and 4 issued in draft form (Risk Management, Data Quality, Accounts Payable and Accounts Receivable).
- 2.2 At the time of writing this report there were no priority 1 or priority 2 recommendations.
- 2.3 There have been 5 alterations to the 2021/2022 plan including the cancellation of 4 audits and the transfer of 4 days from the cancelled Depot audit to expand the planned audit on Section 106 agreements to include the Community Infrastructure Levy.
- 2.4 Fieldwork is in progress for 11 audits and a verbal update will be provided at the meeting.
- 2.5 Appendix 'D' (within the appendix) also refers to briefing notes issued by TIAA which can be circulated to Members of the Committee separately, on request.

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.

4. Legal and Equality implications

- 4.1 None.

(For information)

Background papers

Relevant Internal Audit working files and reports

Runnymede Borough Council

Summary Internal Controls Assurance (SICA) Report

25 January 2022 Standards and Audit Committee

2021/22

January 2022

Summary Internal Controls Assurance

Introduction

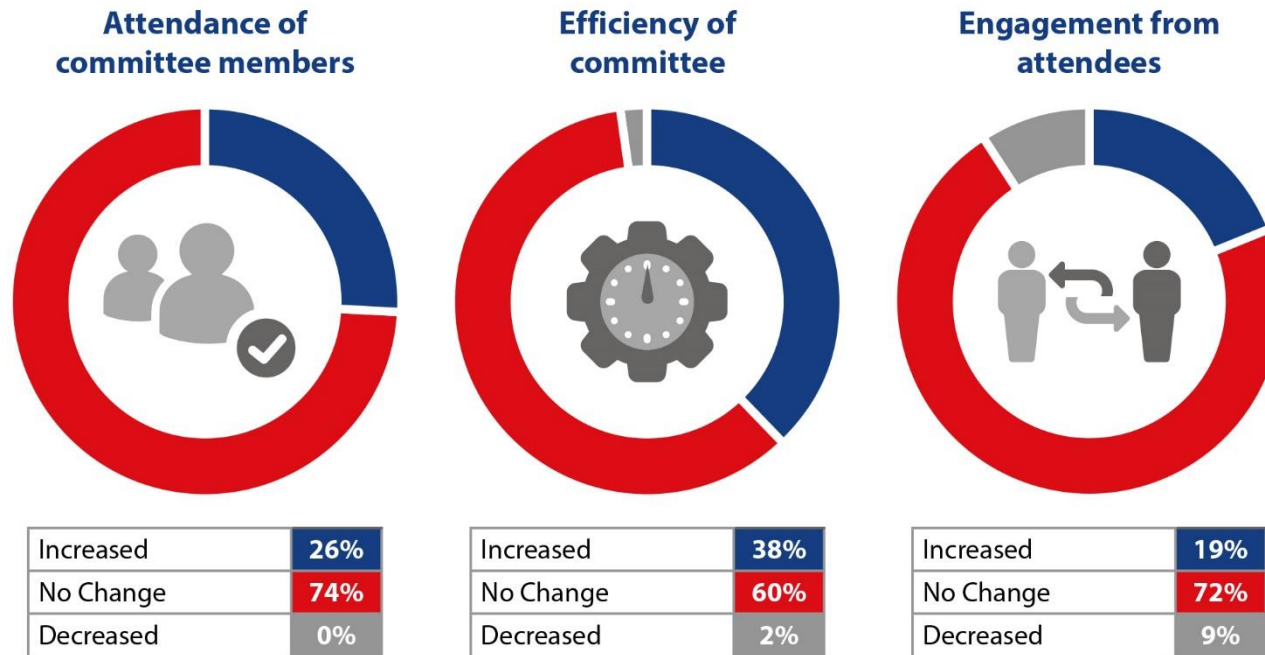
1. This summary **controls assurance** report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Runnymede Borough Council as at 4th January 2022.

Emerging Governance, Risk and Internal Control Related Issues

2. In our recent 'Post-Lockdown Working Practices Briefing', we explored the results of our survey of clients to ascertain how organisations are planning to deliver some of their functions going forward. We asked a number of questions regarding Audit Committee meetings and their effectiveness since the pandemic started and gained thoughts on how these will take place once restrictions are eased.

The experience of remotely held Audit Committees meetings has been positive with the majority of respondents recording no change in or increased attendance, efficiency and engagement at meetings.

Post Lockdown Audit Committee Attendance



Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Housing – Repairs and Maintenance	Reasonable	16 November 2021	7 December 2021	8 December 2021	-	-	-	1

4. The Management Action Plans, for priority 1 and 2 recommendations, for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

5. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

Changes to the Annual Plan 2021/22

6. The following audit changes have been made to the 2021/22 internal audit plan

Review	Rationale
Runnymede Travel Initiative	Audit cancelled as the Yellow Bus Service is no longer operational.
Depot	Audit cancelled as no progress has been made to the previous recommendations will include in 2022/23 audit plan. This was a follow up audit to the previous recommendations made.
Section 106/CIL	To transfer the 4 days from the cancelled Depot audit to the Section 106/CIL audit as the scope has increased to include the Community Infrastructure Levy (CIL) area of activity.
Commercial Property	Audit cancelled due to staffing issues with the client. The audit will be included in the 2022/23 audit plan.
Commercial Rents	Audit cancelled due to staffing issues with the client. The audit will be included in the 2022/23 audit plan.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information

is provided in Appendix C. There have not been any audits finalised in the period since the last report to Committee where an audit finalised has any priority 1 or 2 recommendations.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1			Priority 2		
None to report		-	-	-	-	-	-

Root Cause Indicators

8. The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Runnymede Borough Council. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 4 (2020/21)	Qtr 1 (2021/22)	Qtr 2 (2021/22)	Qtr 3 (2021/22)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	60%	-	71%	-		
Risk Mitigation	-	8%	-	-		
Control Compliance	40%	92%	29%	-		
Delivery						
Performance Monitoring	-	-	-	-		
Financial Constraint	-	-	-	-		
Resilience	-	-	-	-		

Frauds/Irregularities

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

Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. The actions taken by Runnymede BC are summarised below:

Action taken by Runnymede BC in response to Alerts issued by TIAA

Briefing Note
Guidance to Prevent use of Vehicles as Weapons in Terror Attacks
Procurement : Updated Thresholds for January 2022 Published
Protect Duty : Public places to ensure preparedness for the protection from terrorist attacks
Fraud Alert
Fraudulent Emails and Purchase Orders

Responsibility/Disclaimer

11. 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.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
None to report	

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Risk Management	Q1	Draft report issued 29.09.21	Postponed from Q1 to Q2 at request of Head of Service.
Commercial Property	Q3	Audit Cancelled	Head of Service has requested for this to be postponed due to staffing issues. Audit to be cancelled from the 2021/22 audit plan and included in the 2022/23 audit plan
Data Quality	Q1	Draft report issued 30.11.21	Postponed from Q1 at request of Head of Service.
Commercial Rents	Q3	Audit Cancelled	Head of Service has requested for this to be postponed due to staffing issues. Audit to be cancelled from the 2021/22 audit plan and included in the 2022/23 audit plan
Human Resources – Absence Management	Q2		Postponed at request of Head of Service. Awaiting response from Head of Service regarding carrying out this audit in Q4.
Communications	Q2	Scheduled to commence w/c 24 January 2022.	Postponed from Q2 at request of Communications Manager.
Business Continuity	Q2	Fieldwork in progress	Deferred from the 20/21 audit plan.
Key Revenues Controls	Q3		
Benefits and Council Tax Support	As above	Fieldwork in progress	
Non-Domestic Rates (NDR)	As above	Fieldwork in progress	
Council Tax	As above	Fieldwork in progress	
Key Financial Controls	Q3		
Accounts Payable (Creditors)	As above	Draft report issued 21.12.21	
Accounts Receivable (Debtors)	As above	Draft report issued 21.12.21	
Main Accounting (General Ledger)	Q3/4	Fieldwork scheduled to start in January 2022	

System	Planned Quarter	Current Status	Comments
Payroll	Q3	Fieldwork in progress	
Treasury Management	Q3/4	Fieldwork scheduled to start in January 2022	
Customer Services	Q1	Fieldwork in progress	
ICT – Software Asset Management	Q3	Fieldwork in progress	
ICT – Contract Management	Q3	Fieldwork in progress	
Freedom of Information	Q1	Fieldwork in progress	Now Q3. Postponed at the request of the Information Governance Officer.
Depot	Q3	Cancelled	Audit to be cancelled from 2021/22. It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot will be subject to a full follow up review as part of the 2022/23 audit plan.
Runnymede Travel Initiative	Q1	Cancelled	Audit cancelled as the Yellow Bus Service is no longer operational.
Planning Enforcement	Q2	Fieldwork scheduled to start in February 2022	Postponed at the request of the Development Manager due to a change of management personnel.
Housing Rents	Q3/4	Fieldwork scheduled to start in January 2022	
Housing Health and Safety	Q2	Final report issued 22.09.21	
Housing Repair and Maintenance	Q2	Final report issued 08.12.21	
Housing Enforcement	Q2	Fieldwork in progress	Postponed at the request of the Housing Services Manager.
Sheltered Accommodation	Q1	Fieldwork in progress	
Housing Section 106 and CIL	Q1	Fieldwork scheduled to start in February 2022	Postponed at the request of the previous Development Manager due to a change of management personnel. Following the introduction of CIL the scope has now been expanded to incorporate this area.

System	Planned Quarter	Current Status	Comments
Follow up of recommendations	Q1,2,3,4		Progress reports provided to each Standards and Audit Committee.

KEY:

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




Priority 1 and 2 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
None to report						


Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Counter Fraud which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Fraud Alerts issued in the last three months which may be of relevance to Runnymede BC is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN 21044	Guidance to Prevent use of Vehicles as Weapons in Terror Attacks		Action Required Audit Committees and Boards/Governing Bodies are advised to assess their arrangements in light of the risks if applicable and take appropriate remedial action.
CBN 21046	Procurement: Updated Thresholds for January 2022 Published		Information Only
CBN 21047	Protect Duty: Public places to ensure preparedness for and protection from terrorist attacks.		Action Required Organisations are advised to review their security arrangements in line with their legal requirements and take appropriate remedial action

Summary of recent Fraud Alerts

Ref	Subject	Status	TIAA Comments
CBN 21042	Fraudulent Emails and Purchase Orders		<p>Information Only Procurement teams and suppliers to your organisation should be made aware of this scam.</p>

Internal Audit Progress Report for Outstanding Recommendations (TIAA, Chris Harris)

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.

Recommendation(s):

None. This report is for information.

1. Context of report

- 1.1 Attached at Appendix 'A' is TIAA's Follow Up Report on Recommendations made following completion of the internal audit work. This exception report summarises outstanding recommendations in accordance with the review carried out in December 2021.

2. Report

- 2.1 At the time of writing this report, none of those previously outstanding had been implemented and a further 5 had passed their revised date, making a total of 10 outstanding. These concern the Depot (4), GDPR (1), Income – Cash and Bank (1), Internal Communications (2) and Safeguarding (2). Full details are available in the Appendix.

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.

4. Legal and Equality implications

- 4.1 None.

(For information)

Background papers

Relevant Internal Audit working files and reports

Runnymede Borough Council

Internal Audit Progress Report for Outstanding
Recommendations

25 January 2022 - Standards and Audit Committee
2021/22

January 2022

Executive Summary

Introduction

1. This summary report provides the Standards and Audit Committee with an update on the progress in implementing the priority 1, 2 and 3 recommendations arising in previous internal audit reports.
2. This follow up review was carried out in December 2021. Since the previous follow up review was carried out (October 2021), five recommendations have reached their initial or revised target implementation date, and a further five recommendations remain outstanding as previously reported.

Key Findings & Action Points

3. 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	0
Outstanding	10
No Longer Applicable	0
Not Implemented	0

4. For the ten recommendations classified as Outstanding, these will continue to be periodically monitored, and details relating to the specific recommendations in these cases have been included in the Detailed Findings section below. Of these recommendations, in two cases a revised implementation date has been set.
5. Two of the recommendations relate to the previous Internal Communications audit; this area is subject to a separate, full follow up review during Quarter 4 2021/22 and therefore these recommendations will be considered as part of that review.
6. Four of the recommendations relate to the previous Depot audit. It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore these recommendations will be considered as part of that review.
7. As previously reported to Committee, two recommendations relate to the previous Safeguarding audit. Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.

Scope and Limitations of the Review

8. 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.
9. 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.
10. 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

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

Date final report issued:	6 th January 2022
----------------------------------	------------------------------

Detailed Findings

Follow Up

12. Management representations were obtained on the action taken to address the recommendations and 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:

13. Depot

Audit title	Depot	Audit year	2020/21	Priority	1
Recommendation	The Depot create its own risk register to identify the key risks associated with the Depot and how these are being controlled and managed.				
Initial management response	The recommendation raised in the previous report was for a separate risk register for the depot be 'considered'. This was then agreed by the then DSO manager with a target date of 1 July 2018. Follow up of this in Oct 2019 found this remained outstanding and it was subsequently brought to the attention of the new DSO manager in Dec 2019 with a revised date for action being agreed with the CHoES of April 2020. Revised further to April 2021 as a direct impact of Covid and awaiting the outcome of the 'depot feasibility study' commenced in Feb 2020 but also delayed for the same reason. New implementation date set to allow for outcome of on-going H&S risk assessments report.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	2
Recommendation	The security at the Depot be reviewed and appropriate action taken to keep the site secure by use of both physical security measures (a working gate) and via adequate surveillance.				
Initial management response	These are both longstanding issues and indicative of a lack of regular maintenance and investment by the authority into what are ailing facilities. Both are included in the current depot feasibility study and require financial investment to rectify.				
Responsible Officer/s	DSO Manager / Corporate Head of Environmental Services	Original implementation date	Long term remedy dependent of the outcome of the feasibility study due to report in Sept 2021.	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	3
Recommendation	Consideration be given to the purchase of the optimisation route package.				
Initial management response	Agreed. Finance was sought for this upgrade by the DSO but not forthcoming due to present financial pressures. A report to be made to the relevant committee requesting funding to upgrade the system.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	3
Recommendation	Detailed stock take procedures be documented and a re-order level established, where appropriate.				
Initial management response	Noted.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	<p>It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times.</p> <p>The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.</p>				
Status	Outstanding				

14. GDPR Preparedness

Audit title	GDPR Preparedness	Audit year	2017/18	Priority	2
Recommendation	A review of all contracts and agreements with third parties be undertaken to ensure all content is GDPR compliant.				
Initial management response	Meeting on 26/09/18. With CHL&G and Legal Services Mgr to discuss.				
Responsible Officer/s	Corporate Head of Law & Governance	Original implementation date	28/02/19 (subsequently March 2020, October 2020, July 2021, December 2021)	Revised implementation date	31/03/22
Latest Update	<p>During the previous follow up review in October 2021 it was advised that the impact of Covid was longer than anticipated. With a clearer path out of Covid, work on this project would restart. A completion date of December 2021 was subsequently envisaged and a revised target date set.</p> <p>During this follow up review, it was advised by the Corporate Head of Law and Governance that work is in progress, with completion envisaged by 31st March 2022. Delays have been experienced due to carrying out this work alongside business as usual activities and therefore having to prioritise other tasks on occasions.</p>				
Status	Outstanding				
	A revised target date has been set.				

15. Income – Cash and Bank

Audit title	Income – Cash and Bank	Audit year	2020/21	Priority	2
Recommendation	Action be taken to ensure that cashbook reconciliations are frequently carried out in order to promptly identify any discrepancies, with training provided at the earliest opportunity to allow for greater resilience across the service area.				
Initial management response	The last year has been incredibly challenging for a whole host of reasons. The new Accountancy Assistant started the week of the first lockdown, and being mainly a manual paper based exercise it was not possible to train them up remotely. Whilst reconciliations of expenditure have been undertaken monthly during the year, only partial income reconciliations have been achieved in a timely manner. This was in part due to the need to fully understand the new Civica Income Management System (which was implemented in stages, meaning that for a majority of the year two systems were in operation), additional Covid related responsibilities being undertaken by the Finance team and, an incredibly protracted and time consuming external audit, leaving resources stretched.				
Responsible Officer/s	Housing Accountant	Original implementation date	30/11/21	Revised implementation date	31/03/22
Latest Update	<p>It was advised by the Housing Accountant that, to date, there has been little progress this year on the bank reconciliations with no formal reconciliations carried out since April.</p> <p>Following the change to the new Civica system, a number of errors in the processes and systems were identified as part of closing the accounts in April 2021, and it is hoped that this has now largely addressed what is required in order to reconcile, although the formal reconciliations will still be a lengthy process. As part of this process it is also envisaged that a number of the previous procedure notes will have to be re-written. A revised implementation date has been set.</p>				
Status	Outstanding			A revised target date has been set.	

16. Internal Communications

Audit title	Internal Communications	Audit year	2020/21	Priority	2
Recommendation	Internal Communications Strategy be reviewed to include greater clarity over the specific time period for the strategy, roles and responsibilities within the Council, and a detailed action plan.				
Initial management response	The existing draft strategy will be reviewed between January 2021 and March 2021 with a view to being approved by the relevant council committee in April 2021. As explained to the auditor at the start of the process, no previous strategy had existed at the Council. The strategy submitted as part of the audit process was a first draft provided to demonstrate its existence. It had not yet been reviewed by appropriate staff within the Council, or elected members.				
Responsible Officer/s	Communications Manager	Original implementation date	April 2021 (subsequently July 2021 and December 2021)	Revised implementation date	TBC
Latest Update	<p>This had been delayed due to focusing on the Coronavirus response, along with a member of the team who did most of the internal communications work leaving the Council. It was initially advised that the existing draft strategy would be reviewed, with a view to being approved by the relevant council committee in July 2021.</p> <p>It was subsequently advised by the Communications Manager that due to staffing changes within the team, and the longer duration of the Coronavirus pandemic, it was expected that this would be brought to committee before the end of the calendar year. It was likely that a shorter strategy would be produced, accompanied by a policy document. The contents would be informed by the results of a staff survey planned to take place during October. A revised target date of December 2021 was therefore set.</p> <p>It was noted that there is a very small Communications team and therefore the Communications Manager is required to be very hands on in terms of writing news stories, social media content, building websites etc, and this front line work has taken precedence. This has especially been the case during the pandemic, and because of staff changes in the team over the last year which have left gaps between employees which the Communications Manager has had to fill in addition to their own work. The internal communication work has continued throughout however, including the launch of the new Staff Home intranet.</p> <p>Communications is subject to a separate, full follow up review during Q4 21/22 and therefore this recommendation will be considered as part of that review.</p>				
Status	Outstanding			A revised target date has been set.	

Audit title	Internal Communications	Audit year	2020/21	Priority	2
Recommendation	Corporate guidance be developed as to minimum expectations or good practice in terms of both vertical and horizontal communications.				
Initial management response	Guidance will be developed taking into account local conditions in Runnymede. It is generally felt that staff members who have reached the level of a manager or senior manager would have developed communication skills throughout their career and understand how best to communicate with their teams and individual colleagues, hence the light touch approach, as each service area has its own norms. Performance management training for managers and senior managers provided by HR in 2019 implicitly covered some of these types of topics, although it was not intended as communications training. The level of resource available within the Communications team to support internal communication also needs to be taken into account when deciding how formalised an approach to take. That said, baselining and minimum expectations and advice on topics and approaches will be helpful to give a general steer.				
Responsible Officer/s	Communications Manager	Original implementation date	March 2021 (subsequently July 2021 and December 2021)	Revised implementation date	TBC
Latest Update	This is linked to the above recommendation, as guidance will be reviewed as part of the review of the existing draft strategy. During a previous follow up review it was advised by the Communications Manager that this would be included in the strategy and policy likely to come to Members before the end of the calendar year. A revised target date was therefore set. Communications is subject to a separate, full follow up review during Q4 21/22 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

17. Safeguarding

Audit title	Safeguarding	Audit year	2020/21	Priority	3
Recommendation	Roles and responsibilities for departmental Safeguarding representatives be formalised, with contact information made readily available to all staff.				
Initial management response	A more formalised process will be introduced for safeguarding leads across the Council.				
Responsible Officer/s	Corporate Head of Community Development	Original implementation date	31/03/21 (subsequently 31/05/21, 01/08/21 and 30/09/21)	Revised implementation date	TBC
Latest Update	During the previous follow up review it was advised that the Corporate Head of Community Development had been in discussions with other authorities and a number had developed a handbook which incorporates the information suggested in the recommendation. The Corporate Head of Community Development was currently drafting this with the aim to have this completed in mid-September at which point it would be circulated to SLT for comment. Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.				
Status	Outstanding				

Audit title	Safeguarding	Audit year	2020/21	Priority	3
Recommendation	Policies/procedures be reviewed to incorporate details in relation to (i) processes where safeguarding concerns relate to the conduct of staff or Councillors, and (ii) standard Safeguarding requirements / contract clauses to ensure that organisations acting on behalf of the Council are implementing safe working procedures and sharing information about safeguarding incidents.				
Initial management response	Surrey wide there have been further discussions about reviewing policies and the comments will be picked up as part of this review.				
Responsible Officer/s	Corporate Head of Community Development	Original implementation date	31/03/21 (subsequently 30/09/21)	Revised implementation date	TBC
Latest Update	<p>During the previous follow up review it was advised by the Corporate Head of Community Development that as part of the recent section 11 audit there was no negative feedback on the policy. However, the policy would be reviewed and compared to policies from other local authorities which had recently been updated and praised as being a good benchmark. This was currently a work in progress, with any updated policy due to go to Corporate Management over the summer.</p> <p>Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.</p>				
Status	Outstanding				

Internal Audit Indicative Audit Strategy 2022/2025 and Annual Plan 2022/2023 (TIAA, Chris Harris)

Synopsis of report:

To inform Members of the Indicative Audit Strategy for 2022/2025 and seek approval of Annual Audit Plan for 2022/2023

Recommendation(s) that:

the Internal Audit Annual Plan for 2022/2023 be approved

1. Context of report

- 1.1 Attached at Appendix 'A' is TIAA's Indicative Audit Strategy for 2022/2025 and Proposed Annual Audit Plan for 2022/2023.

2. Report

- 2.1 The Report provides an overview of the Strategy and plan which have been informed by a risk assessment set against key emerging themes in Local Government and in the context of the ongoing Covid pandemic.
- 2.2 The Audit Strategy Methodology is set out in the report and it is stressed that the audit plan itself is flexible, whilst the total number of days is as agreed in TIAA's contract with the Council.
- 2.3 The Committee is asked to review the areas it is planned to audit and these can be discussed with the Audit Director and Officers at the meeting.
- 2.4 The plan was circulated by TIAA to the Council's Senior Leadership Team for comment and any amendments to the proposed plan which Officers feel are necessary will be reported at the meeting.

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.

4. Legal and Equality implications

- 4.1 Members are asked to note that one of the planned audits in the programme is regarding Equality, Diversity and Inclusivity which will involve the Council's Equalities Panel.

(To resolve)

Background papers

Relevant Internal Audit working files and reports



Runnymede Borough Council

Indicative Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23

Standards and Audit Committee – 25 January 2022

JANUARY 2022

FINAL



OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our Local Government clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for Local Government in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

“Multi-channel” resident engagement: Partly as a result of COVID-19 but also as process changes through improved technology, councils will need to embrace cutting edge technology. Adopting a multi-channel approach to resident engagement will enable council services to be more readily available, more accessible and more transparent.

Commercialisation: Councils are being driven towards being more self-sufficient and cost effective, with pressure to close funding gaps and rebalance budgets. Councils will already be operating in different financial and more commercial environments. The pandemic is likely to have brought significant unforeseen risks to these investments and their underlying assumptions.

Cyber Security: As more services move on-line, risks and vulnerabilities are likely to increase. Cyber security is as much about awareness and behaviours as it is about network security. Resilience needs to be regularly and stringently stress tested across the organisation to ensure it is operating effectively.

Council mergers: Reorganisation is very much back on the table with central government inviting submissions for locally-led proposals for unitary government. The merger process itself and the cost of any redundancies is likely to add to short-term financial pressures. Mergers don't just involve the transfer of assets but also liabilities and risks; there needs to be certainty that the outcome will lead to better public services and the identified efficiencies.

Financial Viability: As we emerge from the clutches of the pandemic and some degree of normality returns the supporting grant aid will end and local authorities will be faced with the reality of unbalanced medium term financial plans without including significant potential savings. Realisation of these savings could be challenging and if not achieved at the outset will fail to provide the funds needed to retail a balanced budget.

Staff Wellbeing: COVID-19 has led to mental health declines, increased work demands and feelings of loneliness due to remote working. Staff turnover is at an all time high. Managing the wellbeing and associated risks is crucial to ensure a stable workforce.

Climate Change: Around 300 councils have declared a climate emergency. Councils are taking action to reduce their own carbon emissions and working with partners and local communities to tackle the impact of climate change on their local area.

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Local Government's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Local Government and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Runnymede BC. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual 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 Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Runnymede BC. This number of days is fixed and it is TIAA’s responsibility to deliver the Audit Plan for this number of days. Where Runnymede BC agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Assistant Chief Executive and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	January 2022
--------------------------	--------------

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2021/22	2022/23	2023/24	2024/25
Corporate Services and/or Council Wide Audit					
Commercial Property	Assurance		✓6	✓6	✓6
Commercial Rents	Assurance		✓6	✓6	✓6
Data Quality	Assurance	6		✓6	
Absence Management	Assurance	6			✓6
Recruitment	Assurance		✓6		
Communications	Assurance	6		✓6	
Procurement/Contracts	Assurance		✓6		✓6
Project Management	Assurance				✓6
Climate Change	Assurance		✓6		
Agile Working	Assurance			✓6	
Performance Management	Assurance				✓6
Equality, Diversity and Inclusivity	Assurance			✓6	
Risk					
Risk Management Framework	Assurance	6		✓6	
Business Continuity	Assurance	6		✓6	
Law & Governance					
Governance – Gifts and Hospitality	Assurance		✓6		
Governance – Corporate	Assurance			✓8	
Freedom of Information	Assurance	6			✓6
Data Protection & Information Governance	Assurance		✓6		
ICT					
ICT – Contracts Management	Assurance	8			

Review Area	Type	2021/22	2022/23	2023/24	2024/25
ICT - Software asset management	Assurance	8			
ICT – Service Desk	Assurance		✓8		
ICT – Virtual / Cloud based approach to DR	Assurance		✓8		
ICT – Contingency	Assurance			✓16	✓16
Finance and Resources					
Key Revenues Controls: -Housing Benefits and Council Tax Support -Business Rates -Council Tax	Assurance	20	✓20	✓20	✓20
Key Financial Controls: -Accounts Payable (Creditors) -Accounts Receivable (Debtors)	Assurance	12	✓12	✓12	✓12
Income – Cash & Bank	Assurance		✓6		✓6
Main Accounting (General Ledger)	Assurance	6	✓6	✓6	✓6
Payroll	Assurance	8	✓8	✓8	✓8
Budgetary Control	Assurance		✓6		✓6
Capital Accounting and Asset Management	Assurance		✓6		
Treasury Management	Assurance	6		✓6	
Insurances	Assurance			✓6	
Customer Services	Assurance	6			✓6
Benefits and Savings Realisation	Assurance			✓6	
Planning and Environment					
Depot (including Trade Waste)	Assurance		✓6		✓6
Car Parking	Assurance		✓6		
Development Management and Enforcement	Assurance	6			✓8
Building Control	Assurance			✓6	

Review Area	Type	2021/22	2022/23	2023/24	2024/25
Licensing	Assurance			✓6	
Section 106/CIL	Assurance	10		✓8	
Housing Services					
Housing Rents	Assurance	6	✓6	✓6	✓6
Housing Allocations and Homelessness	Assurance		✓6		
Housing Health and Safety	Assurance	4	✓5		✓6
Housing Repair and Maintenance	Assurance	4		✓6	
Housing Enforcement	Assurance	6			✓6
Sheltered Accommodation	Assurance	6			✓6
Community Development & Community Services					
Leisure Contract	Assurance		✓6		
Community Transport	Assurance				✓6
Community Safety	Assurance			✓6	
Community Grants	Assurance		✓6		
Safeguarding/Prevent	Assurance			✓6	
Other					
Follow Up	Follow Up	12	✓12	✓12	✓12
Management and Planning					
Annual Planning	Management		✓	✓	✓
Annual Report	Management		✓	✓	✓
Audit Management	Management		✓	✓	✓
Total Days		164	[175]	[192]	[178]

APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Commercial Property	Assurance	6	Failure to maintain tenancies and to generate the projected return on investment will have significant financial consequences for the Council. The review will focus on the governance and reporting arrangements, project management and budgetary control for a number of key redevelopment projects.		
1	Commercial Rents	Assurance	6	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. The review will focus on the processes for ensuring that all commercial rents are appropriately recorded, the database of commercial properties is accurate and up to date, and testing a number of commercial properties to confirm that rents are paid in accordance with their agreement.		
1	Governance – Gifts and Hospitality	Assurance	6	<p>Transparency of the receiving of gifts and hospitality is fundamental to the governance arrangements at the Council. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> • The gifts and hospitality policy and procedures are clearly outlined for staff and members; • Staff and Members’ gifts and hospitality registers are maintained and are up to date; • Gifts and Hospitality disclosures by staff and Members are reviewed by the Council’s Standards Committee; • Members’ gifts and hospitality declarations are available for inspection by members of the public on the Council’s website. 		
1	Community Grants	Assurance	6	<p>A periodic review focusing on the process for awarding grants and monitoring compliance with grant funding conditions. Key areas will include:</p> <ul style="list-style-type: none"> • Appropriate records are maintained to verify applicant eligibility; • Grants are appropriately approved by committee or delegated officers; • All monies expended are done so in accordance with the grant agreement; • There are adequate controls in place with regard to how grant money is spent; and • Adequate budget monitoring and management of grants awarded takes place. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
1	Leisure Contract	Assurance	6	<p>A periodic review of the controls in place for managing the contracts for the provision of leisure facilities. The audit will focus on the following areas:</p> <ul style="list-style-type: none"> • An appropriate contract is in place, which sets out key performance indicators / performance targets; • Variations are controlled in accordance with contractual provisions; • Performance management and monitoring processes are in place and are robust enough to ensure compliance with performance standards; • Contract clauses, such as penalties and deductions, are outlined and enforced; • Payments are made accurately in line with contractual arrangements; • Management information on contract performance is provided and regularly reviewed; and • Adequate budget controls are in place. 		
1	Housing Allocations and Homelessness	Assurance	6	<p>A periodic review focusing on the processes in place for managing the housing register and allocations, and the prevention/relief of homelessness. Key areas will include:</p> <ul style="list-style-type: none"> • Housing Register applications are adequately assessed, with priority bandings allocated to prospective tenants in accordance with procedures; • Properties are allocated to those with the highest priority need. Where properties are offered other than to “next in line” appropriate reasoning is recorded; • Statutory homeless applications are adequately assessed, with senior officer review of homelessness duty decisions; • The information provided to applicants is clear, and sets out both applicant responsibilities and options for assistance (e.g. Housing Benefit); • Appropriate performance indicators are in place and regularly reviewed; and • Management are provided with regular updates of the performance of the service in order to be able to take action to address any issues identified. 		
2	Car Parking	Assurance	6	<p>A periodic review focusing on the management of car park income. The review will include the following key areas:</p> <ul style="list-style-type: none"> • Car park charges are periodically reviewed and benchmarked to surrounding areas; • Arrangements for the collection, recording and banking of all car park income, and the adequacy of records being maintained; • Adequate parking enforcement arrangements are in place to ensure maximisation of income; • All income received is adequately protected from loss; and • Adequacy of budget monitoring, performance management, and reporting arrangements. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
2	Recruitment	Assurance	6	<p>A periodic review to assess the adequacy of the controls in place for for managing the recruitment process. The audit will include the following key areas:</p> <ul style="list-style-type: none"> • Roles and responsibilities for initiation of the vacancy and the management 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. 		
2	Housing – Health and Safety	Assurance	5	<p>Appropriate and adequate Health and Safety for Housing is a critical requirement. Previous audit reviews identified a number of initiatives regarding Health and Safety requirements as work in progress. The audit will review the findings of the previous audits and examine and test the arrangements for Health and Safety that should be in place for 2022/23 onwards.</p>		
2	Data Protection & Information Governance	Assurance	6	<p>To review the adequacy of the Information Governance arrangements in place at the Council and compliance with Data Protection legislation. Key areas to be reviewed include:</p> <ul style="list-style-type: none"> • Governance arrangements, data security and breach management; • Privacy Notices • Records of Processing Activities and Information Asset Registers; • Data Subject rights; • Data Protection Impact Assessments; • Data Processors. 		
2	Depot (including Trade Waste)	Assurance	6	<p>The Depot provides fundamental services for the Council and its failure would be detrimental to the provision of vital services. Follow earlier audit reports, the change in Depot Manager and delays caused by COVID 19 this will be a follow up audit to our previous audit work and recommendations. The audit will review the findings/outcomes of the 2019/20 and 2020/21 audits and examine and test the arrangements that should be in place to remedy the weaknesses identified in those earlier reports.</p>		
2	ICT – Service Desk	Assurance	8	TBC		ICT
2	ICT - Virtual / Cloud based approach to DR	Assurance	8	TBC		ICT

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
3	Key Revenues Controls	Assurance	20	<p>Failure to operate the key revenue streams in a satisfactory manner will lead to a loss of income. This is a key audit risk area, and an annual audit is carried out to assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key systems:</p> <ul style="list-style-type: none"> • Council Tax • Non- Domestic Rates • Housing Benefits, and • Council Tax Support 		
3	Key Financial Controls	Assurance	12	<p>Failure to manage the key financial systems for the Council will lead to a loss of income and reputational damage. This is a key audit risk area, and an annual audit is carried out to assess the adequacy and effectiveness of the internal controls in place at the Council for managing the following key systems:</p> <ul style="list-style-type: none"> • Accounts Payable (Creditors) • Accounts Receivable (Debtors) 		
3	Payroll	Assurance	8	<p>Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit. The audit will focus on the internal controls in place to ensure that:</p> <ul style="list-style-type: none"> • 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. 		
3	Budgetary Control	Assurance	6	<p>Budgetary Control is a fundamental financial process that is audited every other year. Key control objectives that will be considered as part of this audit include:</p> <ul style="list-style-type: none"> • Formally approved budgets are set each year, taking into account all relevant income and expenditure; • The financial management system accurately reflects the agreed budgets; • Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined; • All budget adjustments (including virements) are authorised; • Budgets are adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation; • Appropriate financial reserves are maintained in line with assessed risks. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
4	Income – Cash and Bank	Assurance	6	<p>The review will assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Income (Cash & Bank) function, focusing on the following key areas:</p> <ul style="list-style-type: none"> • 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. 		
4	Capital Accounting and Asset Management	Assurance	6	<p>The review will assess the adequacy and effectiveness of the controls in place at the Council relating to:</p> <ul style="list-style-type: none"> • The approval and monitoring of the capital programme / capital expenditure; • The maintenance of appropriate asset management records, with acquisitions and disposals recorded promptly; • Regular revaluations of fixed assets are undertaken; • Periodic reconciliations are undertaken between the Fixed Asset Register and the General Ledger; and • Periodic physical verifications of tangible fixed assets take place. 		
4	Main Accounting (General Ledger)	Assurance	6	<p>This is the main financial ledger and an important system for the Council which is audited annually. Key areas for the review include:</p> <ul style="list-style-type: none"> • Adequate policies and procedures are in place and accessible to all relevant staff; • Access to Total Finance is restricted to authorised personnel only and the system is appropriately backed up; • Financial information is produced which meets all legal/reporting requirements on a timely basis; • Journal entries are supported by adequate narrative, with appropriate separation of duties in place; • New ledger codes/amendments are supported by appropriate authorisation; • Suspense accounts are regularly reviewed and cleared; and • Opening balances are brought forward promptly and accurately 		
4	Housing Rents	Assurance	6	<p>Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit. The audit will focus on the internal controls in place to ensure that:</p> <ul style="list-style-type: none"> • Rents due are being collected and promptly allocated to the correct rent accounts, • Benefits awarded are being properly allocated to the correct rent accounts; and • Case records provide a management trail and complete case history. 		

Quarter	Review	Type	Days	High-level Scope	Prog Ref	Review Type
4	Climate Change	Assurance	6	<p>This is an area of increasing risk significance amid the Government’s commitment to net zero carbon emissions by 2050. If the Council is not seen to be taking action or working towards government targets this may lead to reputational damage. Key areas for the review include:</p> <ul style="list-style-type: none"> • A Corporate Strategy is in place for tackling Climate Change, with roles and responsibilities clearly defined and an associated action plan in place; • Climate Change considerations are embedded into corporate decision making, targets and objectives. • Adequate performance monitoring and reporting to senior management and Members is in place. 		
4	Procurement/Contracts	Assurance	6	<p>Key control objectives to be considered during the review include:</p> <ul style="list-style-type: none"> • The control framework is adequate to ensure that procurement exercises comply with the Public Contracts Regulations 2015 and the Council’s Constitution, policies and procedures. • Systems allow for an appropriate audit trail to be maintained for all procurement exercises (including waivers) and appropriate records are maintained in compliance with the Transparency Code. • Value for money is achieved when selecting and awarding contracts to suppliers. 		
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Council are implementing recommendations, and providing reports to the Standards and Audit Committee.		
1	Annual Planning	Management	Fixed fee	Assessing the Council’s annual audit needs.		
4	Annual Report	Management	Fixed fee	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.		
1 – 4	Audit Management	Management	Fixed fee	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Standards and Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).		
Total days			[175]			

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Runnymede BC and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Standards and Audit Committee.

The Role of Internal Audit

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 framework of governance, risk management and control. TIAA is responsible for providing assurance to Runnymede BC's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Runnymede BC 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 Runnymede BC 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 board, Standards and Audit Committee or the nominated officer (being the post 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.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Runnymede BC 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 BC 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 board, the chair of the Standards and Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

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

Conflict of Interest

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.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Runnymede BC's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

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.

Limitations and Responsibility

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 BC and additional time will be required to carry out such testing. Runnymede BC is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

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.

Liaison with the External Auditor

We will liaise with Runnymede’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.

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 TIAA’s audit charter and PSIAS/IIA standards.

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.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Runnymede BC’s governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Standards and Audit Committee Responsibility

It is the responsibility of Runnymede BC 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.

By approving this document, the Standards and Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. 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.

Performance Standards

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

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%

The Financial Management Code – (Paul French – Corporate Head of Finance)

Synopsis of report:

To update Members of the new CIPFA Financial Management Code and present the initial assessment that has been carried out of the Council's current level of compliance compared to the Standards contained within the Financial Management Code and any associated actions arising from the exercise to strengthen the Council's position.

Recommendation(s):

The Committee notes the requirements of the Code and the Council's assessment against it.

1. Context of report

- 1.1 The Chartered Institute of Public Finance (CIPFA) Financial Management Code (“the FM Code”) was published in October 2019. It is intended to support good financial management and stability and applies to all local authorities, including police, fire and other bodies. It was produced to assist local authorities in demonstrating their financial sustainability through a set of standards of financial management.
- 1.2 CIPFA introduced the FM Code in response to concerns around financial resilience of councils (even before Covid). The introduction of the FM Code was driven by the exceptional financial circumstances faced by local authorities, having revealed concerns about fundamental weaknesses in financial management. In particular there have been a small number of high-profile failures across local government which threaten stakeholder's confidence in the sector as a whole.
- 1.3 The standards have different practical applications according to the size and different circumstances of individual authorities and their use locally should reflect this. The principle of proportionality applies to the FM Code and reflects a non-prescriptive approach to how each standard is met.
- 1.4 The initial report setting out the requirements of the FM Code was presented to the Corporate Management Committee on 15 October 2020 where it was reported that the first full year of compliance would be 2021/22 and Officers would work through the FM Code guidance and would report back to the Standards and Audit Committee on where the Council currently met the criteria and what officers were doing to ensure that any gaps in compliance were addressed.
- 1.5 Despite Covid, the first full year of compliance remains 2021/2022, however, CIPFA announced that implementation can be undertaken within a more flexible framework where a proportionate approach is encouraged. In practice this is likely to mean that adherence to some parts of the Code will demonstrate a direction of travel .

2. Report

The FM Code

- 2.1 The FM code requires the Council to demonstrate that the processes they have in place to satisfy the principles of good financial management, which is an essential part of ensuring that public sector finances are sustainable. It focuses on value for money, governance and financial management styles, financial resilience and financial sustainability. The Code identifies the risks to financial sustainability and introduces an overarching framework of assurance which builds on existing financial management good practice. The Code has been designed on a principles-based approach which will assist in determining whether, in applying standards of financial management, a local authority is financially sustainable.
- 2.2 The FM Code builds on elements of other CIPFA codes, such as The Prudential Code for Capital Finance, The Treasury Management in the Public Sector Code of Practice and The Code of Practice on Local Authority Accounting, which the Council already complies with. By following the essential aspects of the FM Code, it is expected that the Council can evidence how it's meeting important legislative requirements.
- 2.3 The FM Code sets out 6 principles and 17 standards for good financial management in local government. The principles have been designed to focus on an approach that will assist in determining whether, in applying standards of financial management, a local authority is financially sustainable. The 6 principles are:
- **Organisational Leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
 - **Accountability** based on medium term financial planning that drive the annual budget process supported by effective risk management, quality supporting data and whole life costs.
 - Financial management is undertaken with **transparency** at its core, using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
 - Adherence to **professional standards** is promoted by the leadership team and evidenced.
 - Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
 - The **long-term sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.
- 2.4 CIPFA's expectation is that authorities have to comply with all 17 of the financial management standards if they are to demonstrate compliance with the FM Code.

Compliance with the FM Code

- 2.5 Whilst compliance with the Code is not a statutory responsibility, CIPFA has made it clear that in its opinion these are minimum standards, and therefore compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration. However, the Code recognises that some organisations have different structures and legislative frameworks. Where compliance with this code is not possible adherence to the principles is appropriate.
- 2.6 The Council's external auditors will, from 2021/22, have regard to the FM Code and will be looking to ensure that the Council is meeting the Code. Furthermore, CIPFA guidance issued in February 2021 stated that the Council's Annual Governance Statement should include the overall conclusion of the assessment of the organisation's compliance with the principles of the FM Code. Where there are

outstanding matters or areas for improvement, these should be included in the action plan.

- 2.7 CIPFA state that “Demonstrating this compliance is a collective responsibility of elected members, the chief finance officer (CFO) and their professional colleagues in the leadership team. It is for all the senior management team to work with elected members in ensuring compliance with the FM Code and so demonstrate the standard of financial management to be expected of a local authority. In doing this the statutory role of the section 151 officer will not just be recognised but also supported to achieve the combination of leadership roles essential for good financial management”.
- 2.8 The Corporate Leadership Team have carried out an assessment of the Council’s compliance with the FM Code in 2021/22, which can be seen at Appendix A. The assessment considers each standard of the FM Code and provides an assessment of the current position, potential improvements and a RAG rating.
- 2.9 As someone who has had no prior history with the Council and who has taken on the role most affected by the FM Code, the assessment was reviewed by the new Assistant Chief Executive shortly after she started in December 2021 to provide an independent view.
- 2.10 Overall the assessment shows that the Council is in a good position to ensure compliance with the FM Code in 2021/22. Of the 17 standards, all have been identified as being green under the RAG rating.
- 2.11 There are also areas of further improvement work identified for a number of the standards that have been identified as green. These actions will strengthen what is already a compliant approach taken by the Council. These have been separated into the following two areas:
 - **Areas for improvement** – Areas that can be looked at now
 - **Areas for enhancement** – Areas to develop over the medium term (where additional resources (staffing, system enhancement etc) would be required aspirations.

The assessment will be continually reviewed and refined to identify any areas where compliance can be enhanced

3. Resource implications (where applicable)

- 3.1 Compliance with the code will further enhance financial management arrangements within the authority

4. Legal implications

- 4.1 The FM Code requirement for sound financial management is supported by Section 151 of the Local Government Act 1972 which requires that every local authority in England and Wales should “... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”.
- 4.2 Whilst compliance with the code is not a statutory duty in itself, failure to comply could be viewed as not meeting existing statutory duties.

5. Corporate Business Plan / Business Centre Plans

- 5.1 Compliance with the FM Code will contribute to sound decision making. This will support the Medium Term Financial Strategy, enabling Members to monitor progress against the plan in a timely manner to ensure resources are allocated in line with priorities and ambitions of the Council
- 5.2 The Code focuses on the Council's ability to deliver value for its residents and as such will enable the Council to meet the following Corporate Values and Corporate Goals:
- Delivering excellent value for money
 - Transparent
 - Deliver cost effective services
 - Effectively manage our finances.
 - Have sound leadership and decision making processes

6. Risk management

- 6.1 Compliance with the code should enhance the management of financial risks over the longer term.
- 6.2 There are inherent risks regarding non-compliance with the FM Code which include risks to financial sustainability, financial resilience, financial and service planning and delivery as well as to the Council's reputation.

7. Conclusions

- 7.1 It is for the leadership team of each authority (members downwards) to ensure that an authority's governance arrangements and style of financial management promote financial sustainability. The FM Code is designed to identify the risks to financial sustainability and provide assurance of good governance and financial management.
- 7.2 The FM Code Summary Assessment demonstrates that the Council fully complies with the FM Code.

(To resolve)

Background papers

CIPFA Financial Management Code 2019

CIPFA Finance management Code Guidance 2020

Financial Management Code report to Corporate Management Committee 15/10/20

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
Section 1 – The Responsibilities of the Chief Finance Officer and Leadership Team			
<p>A The leadership team is able to demonstrate that the services provided by the authority provide value for money</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team? Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved? 	<p>The MTFs delivers a robust financial plan through a rigorous budget setting process. Before any growth items or substantial/capital schemes are agreed they are subject to a full business case appraisal including links to the Corporate Business Plan, objectives, appraisal of alternative options (including “do nothing”) and a financial appraisal.</p> <p>The delivery of our services is guided by our Corporate Business Plan which sets out our objectives and how we will meet them. This plan is based on an assessment of local need and is approved by the leadership team.</p> <p>The Council’s performance framework includes regular monitoring of projects to ensure that the key aims of the council are progressed to budget, timescales, and outcomes. These are reported to the Corporate Management Committee</p> <p>The council has a strong record of identifying and delivering efficiency savings and we periodically undertake a programme of efficiency reviews, designed to assess the extent to which or principal services are operating efficiently and offering VFM and to make recommendations for improvement</p> <p>External auditors provide annual assurance that Value for Money is achieved, through their external VFM opinion.</p> <p>The Council abides by the Transparency Regulations 2015 and provides detailed information on its website in order for external interested parties to undertake their own views as to our efficiency and effectiveness and VFM</p> <p>Periodically, we use benchmarking techniques to assess the economy and efficiency of its services and to identify opportunities for improvement, by comparing key performance measures across services internally or with other authorities</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
	The Council systematically pursues opportunities for improved value for money and cost savings through its procurement, commissioning and contract management processes		
<p>B The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority’s CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions? • Does the CFO lead and champion the promotion and delivery of good financial management across the authority? • Is the CFO suitably qualified and experienced? • Is the finance team suitably resourced and fit for purpose? 	<p>The Chief Finance Officer (the Assistant Chief Executive) is a key member of the Corporate Leadership Team and is actively involved in helping to shape and deliver the Council’s Corporate Business Plan and Medium Term Financial Strategy (MTFS) as well as ensuring there are sufficient resources to deliver the Strategies. All significant investment decisions are subject to scrutiny by the CFO and is challenged where the project is not aligned to the strategic vision of the council.</p> <p>The CFO is ACCA qualified with significant experience of local government finance. The CFO is supported by a highly skilled team which include qualified accountants (CCAB/CIMA) and technician qualified (AAT) accountants. All qualified officers undertake continuing professional development as required by their accounting bodies.</p> <p>All finance staff are encouraged to attend technical training.</p> <p>There are contracts in place for specialist financial advice to assist the finance team in meeting their statutory requirements (technical accounting, treasury management, financial management & planning and taxation).</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None
Section 2 – Governance and Financial Management Style			
<p>C The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control</p> <p>Key questions:</p>	<p>The Council has in place a constitution that sets out how it operates, how decisions are made and how the Council ensures that its activities are appropriate, transparent and accountable to local people.</p> <p>The Council has in place a formal governance structure that is appropriate to the way in which it operates. This includes relevant</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p>

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> • Does the leadership team espouse the Nolan principles? • Does the authority have in place a clear framework for governance and internal control? • Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? • Does the leadership team espouse high standards of governance and internal control? • Does the leadership team nurture a culture of effective governance and robust internal control across the authority? 	<p>committees and reporting lines, terms of references and conduct, including provision for scrutiny of decisions taken. The Council has in place a formal scheme of delegation, which sets out which individuals or committees are entitled to make which decisions.</p> <p>Our committees, member working groups and other elements of our governance structure have formal, agreed terms of reference, setting out the scope of their responsibilities.</p> <p>The Council has formal codes of conduct for officers and members. The Council maintains an up-to-date register of interests for all senior officers and members.</p> <p>There are effective arrangements for assurance, internal audit and internal accountability. Any areas of concern raised through those arrangements are managed robustly and transparently. Both the internal and external auditor attend and provide regular reports and updates to the Standards and Audit Committee. All recommendations are acted upon promptly.</p> <p>Internal Audit works to an agreed plan, which is based on a robust analysis of the Council's governance, risk management and internal control arrangements, the environment within which the Council operates and the risks and challenges that it faces</p> <p>The Financial Procedure Rules create the role of a Budget Manager. Job descriptions and the Council's Performance Management Framework recognise management of resources as a key responsibility.</p> <p>The Council adopts a robust approach to the identification, assessment and management of risks to the achievement of its objectives and to the delivery of services. Responsibility for the management of individual risks is allocated clearly.</p>		<ul style="list-style-type: none"> • Integrate the Nolan principles into a future version of the Staff Code of Conducts • Quarterly have SLT assess an up to date position on internal and external audit recommendations

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>D The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements? • Does the authority have in place a suitable local code of governance? • Does the authority have a robust assurance process to support its AGS? 	<p>We have formally adopted a code of corporate governance as recommended in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016 edition. Our Annual Governance Statement (AGS), reported each year to the Standards and Audit and Corporate Management Committees, sets out how we meet the core principles, which underpin the notion of good governance across the authority and its partnerships.</p> <p>The AGS is agreed by Members, subject to external audit, and is published as part of the annual Statement of Accounts.</p> <p>There is a strong internal audit function which produces reporting and recommendations across all functions. This is provided under a contract with an external provider to ensure independence and impartiality of reporting.</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None
<p>E The financial management style of the authority supports financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Does the authority have in place an effective framework of financial accountability? • Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services? • Does the authority's finance team have appropriate input into the development of strategic and operational plans? 	<p>Financial sustainability is a key fundamental of the MTFS, which is refreshed each year (and monitored monthly internally). The MTFS includes the four year revenue and 10 year capital programmes. This includes realistic estimates of funding available and budget growth required over the medium term and appropriate levels of contingencies and reserves required based on an assessment of risks it faces</p> <p>The Council recognises that effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt. Therefore, all investment decisions (treasury and non-treasury) are taken in light of the Council's Corporate Business Plan, Medium Term Financial Strategy, Capital Strategy and Treasury Management Strategy all of which are prepared jointly with the Council's senior officers.</p> <p>We have an effective framework of financial accountability set out in our Financial Procedures that is understood clearly and applied</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> • Do managers across the authority possess sufficient financial literacy to deliver services cost-effectively and to be held accountable for doing so? • Has the authority sought an external view on its financial style, for example through a process of peer review? • Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities? 	<p>throughout the organisation, from the leadership team through to front line service managers</p> <p>Our financial management approach supports our change and transformational programme and a culture of customer focus, innovation, improvement and development as witnessed in the 2019 senior management restructure along with the introduction of a new Performance Management Framework and Development Programme</p> <p>We manage our finance function through a series of devolved budget managers to ensure our scarce resources are used efficiently and effectively. These managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Finance staff provide support to these managers by interpreting and explaining performance as well as advising and supporting on key business decisions</p> <p>The Council employs several financial consultants to help it ensure it meets all its statutory obligations and to help assess future funding options</p> <p>The external auditor reviews the financial statements and gives an opinion on the financial sustainability of the Council. A Peer Review was undertaken in October 2019 and more recently 2021 a financial review was Commissioned by The Ministry of Housing Communities and Local Government, prepared by a Finance Improvement and Sustainability Advisor who commented: "RBC has traditionally been a low tax local authority with its services commended by external reviewers. Its historical budget management has been effective and external audit scrutiny has been positive" and "There is significant strength in RBC's underlying financial position, and they have a strategy as to how they aim to return sustainability (out of Covid)".</p>		
Section 3 – Medium to Long Term Financial Management			

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>F</p> <p>The authority has carried out a credible and transparent financial resilience assessment</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority undertaken a financial resilience assessment? • Has the assessment tested the resilience of the authority’s financial plans to a broad range of alternative scenarios? • Has the authority taken appropriate action to address any risks identified as part of the assessment? 	<p>A well-established MTFS process allows for the early identification of issues including the long term sustainability of funding. The MTFS includes prudent modelling of estimates of income and funding sources, local government funding, service drivers and growth, risks and contingencies. The MTFS is contributed to and agreed by SLT before approval by the Council. The MTFS is a three year forward looking plan covering the revenue and capital programmes and includes a number of strategies mentioned earlier in this assessment, as recommended by the FM Code</p> <p>CIPFA Financial Resilience Index 2021 puts Runnymede at the lower end of the risk matrix for Financial Stress. This is despite some of the Indicators of Financial Stress (for gross debt and growth) being on the higher risk side in comparison to our nearest neighbours (as determined by CIPFA)</p> <p>The external auditor reviews the financial statements and gives an opinion on the financial sustainability of the Council. A Peer Review was undertaken in October 2019 and more recently in 2021 a financial review was Commissioned by The Ministry of Housing Communities which stated “There is significant strength in RBC’s underlying financial position, and they have a strategy as to how they aim to return sustainability (out of Covid)”.</p>	<p>GREEN</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • Update the Asset Management Strategy (Planned for 2022/23) <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • Update the key financial risks facing the authority with ‘best’ and ‘worst’ case scenarios • Consider commissioning an independent financial resilience assessment by a neighbouring authority
<p>G</p> <p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Does the authority have a sufficiently robust understanding of the risks to its financial sustainability? 	<p>The Council produces a 4-year MTFS and a 30-year Housing Business Plan incorporating revenue and capital models using a range of assumptions for economic factors and service related factors.</p> <p>The Council retains appropriate reserve balances, general fund and earmarked funds (e.g. insurance reserves) to manage risks over the medium term. Reserve balances are agreed as part of the MTFS and are integral to ensuring we have the resources we need. However, the current high levels of uncertainty around future funding for local government, and the legacy impacts of</p>	<p>GREEN</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> Does the authority have a strategic plan and long-term financial strategy that adequately address these risks? Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)? Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short and medium-term decision making? 	<p>COVID-19, make producing a meaningful long term plan very challenging. This risk to financial planning is clearly set out in the MTFS and has been communicated to the Leadership Team and Members.</p> <p>The Council has a Corporate Business Plan that sets out its aim and vision for the future. The three year MTFS which is updated annually supports the Business Plan and sets out the medium term financial position of the authority, including various strategies and policies that explain how risks are managed over the medium/ longer term</p>		
<p>H The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities</p> <p>Key questions:</p> <ul style="list-style-type: none"> Has the authority prepared a suitable capital strategy? Has the authority set prudential indicators in line with the Prudential Code? Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set? 	<p>The Council recognises that effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudent approach to capital expenditure, investment and debt. All investment decisions are therefore taken in light of the Council's Corporate Business Plan, Medium Term Financial Strategy, Capital Strategy and Treasury Management Strategy</p> <p>The Capital Strategy sets out the long-term context in which our capital expenditure and investment decisions are made and that gives due consideration to both risk and reward against the achievement of the authority's priority outcomes. The Capital Programme which is integral to this, extends to 10 years.</p> <p>The Council abides by the Prudential regime and it's prudential indicators are set in conjunction with the drafting of both the Capital and Treasury Management Strategies. These are</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
	<p>reported to the Corporate Management Committee, then reviewed by the Overview and Scrutiny Committee before being reported to full Council thus providing oversight, scrutiny and ownership by members</p> <p>Performance is regularly reported and shows that the Council has operated within the latest approved Capital and Treasury Prudential Indicators and in compliance with the Council's Treasury Management Practices.</p> <p>The Council also has a 30-year Housing Business Plan which includes a 30-year capital investment programme. This plan is usually reviewed on a 3-5 year basis which was last done in 2021 however, significant changes are now forecast, and a refresh will be undertaken in March 2022.</p> <p>Previous commercial investments were undertaken in line with the Council's Commercial Property Investment Strategy which ended in March 2020 and funded through prudential borrowing. In line with updated requirements the Council has no plans for further debt for yield schemes.</p>		
<p>I The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority have in place an agreed medium-term financial plan? Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? 	<p>The Council's Medium Term Financial Strategy (MTFS) is drafted in light of the Council's Corporate Business Plan, individual service business plans, the Capital Strategy and Treasury Management Strategy to ensure all areas are accounted for and are financially sustainable. Usually, the MTFS is updated and reported annually to Full Council and updated regularly throughout the year for management reporting purposes. During the Covid19 pandemic, more frequent reporting was undertaken</p> <p>The Senior Leadership Team is responsible for identifying initiatives and opportunities for savings in order to bridge the financial gap in the MTFS. Where additional budget is required (Growth) the MTFS and business planning process ensures that these amounts are reviewed and challenged to determine</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> Update the Asset Management Strategy (Planned for 2022/23) <p>Areas for enhancement:</p> <ul style="list-style-type: none"> Introduce a PESTLE analysis for cost drivers such as demographic changes etc

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<ul style="list-style-type: none"> • Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? • Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? • Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims? 	<p>whether they are realistic and sufficient and ensure that key requirements of services are met</p> <p>Although the plan is set on a rolling 4-year basis, plans are monitored throughout the and where the latest data indicates that there have been material changes to assumptions, as demonstrated in recent years they are updated and reported in the financial monitoring reports to Members.</p>		
Section 4 – The Annual Budget			
<p>J The authority complies with its statutory obligations in respect of the budget setting process</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority aware of its statutory obligations in respect of the budget-setting process? • Has the authority set a balanced budget for the current year? • Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so? 	<p>The Council understands its obligation in respect of the budget-setting process and has set a balanced budget for the current year, and the three following years. The Council's MTFS process is designed to deliver a balanced budget for each year in its make-up.</p> <p>The Local Government Act 2000 requires the full council to approve the annual budget, on the recommendation of the executive or equivalent, together with the associated council tax demand (before 11 March each year). The Local Government Act 2003, Section 25 requires the authority's CFO to report to the council on the robustness of the estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations. The Council meets this requirement by reporting these items to the January Corporate Management Committee prior to submission to a full council meeting in February each year.</p>		<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • <p>Areas for enhancement:</p> <ul style="list-style-type: none"> •

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement	
	<p>The authority is aware of the circumstances under which it should issue a section 114 notice and how it would go about doing so.</p>			
<p>K</p>	<p>The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Does the authority’s most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? • Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case? • Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future? • Does the report set out the current level of the authority’s reserves, whether these are sufficient to ensure the authority’s ongoing financial sustainability and the 	<p>The Section 25 Report is compiled annually by the section 151 officer and is reported along with, or as part of, the annual budget, MTFS and Capital and Treasury strategies to the corporate Management Committee each January. It deals with the robustness of the estimates included in the budget and the adequacy of reserves and covers the following in line with CIPFA Guidance</p> <p>The Council has set up earmarked reserves to mitigate the risks of the main (known) financial risks crystallising. Substantial earmarked reserves for Business Rate income, Property Repairs and Renewals and Investment Property income are in place to offset any major fluctuations in these areas; More generally the Council also sets a Prudent General Fund Working Balance of £3m for any other issues resulting in a financial consequence</p> <p>The Council took a hit to its reserves during the Covid pandemic however there is sufficient reserves available in order to buy time to make savings to balance the budget in the longer term.</p> <p>The MTFS includes a statement in relation to the robustness of estimates made and on the adequacy of the proposed financial reserves</p>	<p>GREEN</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • More frequent reporting on the achievement of savings plans and targets

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>action that the authority is to take to address any shortfall?</p>			
Section 5 – Stakeholder Engagement and Business Cases			
<p>L The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget</p> <p>Key questions:</p> <ul style="list-style-type: none"> • How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? • How effective has this engagement been? • What action does the authority plan to take to improve its engagement with key stakeholders? 	<p>The Council has identified the following groups as key stakeholders in developing its long-term strategies: local residents, local businesses, local educational establishments (schools, a college and a university), local visitors, other local authorities in the county, Surrey and Sussex Police, Surrey Fire Service, a wide range of health partners, the Environment Agency, the EM3 Local Enterprise Partnership, and national Government. A more detailed list of local partners we consult for planning purposes can be found in the Statement of Community Involvement</p> <p>Engagement with key stakeholders is undertaken by a combination of different modes of engagement, such as:</p> <ul style="list-style-type: none"> ○ one-to-one conversations ○ social media ○ informal group discussions ○ structured focus groups ○ surveys ○ town hall meetings or drop-in sessions <p>The Corporate Business Plan engagement is considered to have been very effective, both in terms of the numbers which engaged, and the positive feedback received about the focus group sessions. The council would like to increase its consultation activities, but this is dependent on additional resources being made available in the future</p> <p>Whilst budget briefings are provided to some established groups, widespread engagement with the public on council spending is hard for residents to engage with in a meaningful way and is not effective in influencing the budget plans. Engagement is therefore</p>	<p>GREEN</p>	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
	<p>focussed on development of the Council’s Business Plans and feeding in growth bids to the business planning and MTFS cycles to meet emerging needs.</p> <p>Engagement with residents/service users is conducted in line with individual service changes proposed within the budget, as part of the development and delivery of those proposals, rather than detailed engagement on the whole budget. This allows the engagement to be more targeted to affected groups and ensures that the engagement is meaningful.</p>		
<p>M The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication <i>Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal</i>? • Does the authority offer guidance to officers as to when an option appraisal should be undertaken? • Does the authority’s approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? • Does the authority’s approach to option appraisal include suitable 	<p>Option appraisals form an essential part of the development of the Council’s capital programme and all capital and revenue growth schemes have to undertake a business case options appraisal.</p> <p>The Council has set up a Project Management Office (PMO) who have responsibility for embedding a project management approach across the organisation to support, monitor and report on the progress of projects within the Council’s Project Portfolio. Support and advice are offered to project managers in all aspects of project management according to the Council’s Project Management Methodology</p> <p>Part of the Project Management Toolkit includes a Business Case Template and Business Case Training</p> <p>All business cases are reported to the relevant committee as part of a wider report on the project and/or business growth initiative with the financial implications and risks clearly spelt out. An overview of the progress of projects is provided monthly to the Chief Executive and quarterly to the Corporate Management Committee.</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>mechanisms to address risk and uncertainty?</p> <ul style="list-style-type: none"> Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)? 			
Section 6 – Monitoring Performance			
<p>N The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? Do the reports cover both forward and backward-looking information in respect of financial and operational performance? Are there mechanisms in place to report the performance of the authority's significant delivery 	<p>All budget managers and senior managers have access to the Council's Financial Management System (FMS) where they can look up reports and enquiries showing real time information. This is supplemented by a hard/soft copy of management reports being sent on a monthly basis to all budget managers with a request to review the information and report back with any likely variations against budget – reports can be tailor made to suit each managers requirements. This information is then fed into a global Financial Monitoring Statement which is sent to SLT on a monthly basis showing the current position against budget and the likely outturn for the year</p> <p>Each quarter the Council produces financial monitoring reports for Committee showing progress against its budgets and covers both forward and backward looking information</p> <p>Where it becomes apparent that the authority's activities or the environment within which it operates may have changed to such an extent that its financial plans are no longer realistic, emergency committee reports are presented. This was seen most starkly during the coronavirus pandemic of 2020 where regular update reports were submitted to Members both inside and outside of the Committee based environment, including the arrangement of a</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> Reinstate reporting the Risk Register to the Standards and Audit Committee annually <p>Areas for enhancement:</p> <ul style="list-style-type: none"> None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>partnerships such a contract monitoring data?</p> <ul style="list-style-type: none"> • Are the reports provided to the leadership team in a timely manner and in a suitable format? • Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action? 	<p>special Full Council meeting in September 2020 to address the major financial impact of the virus.</p> <p>The leadership team are happy with the reports it receives and with its ability to use these reports to take appropriate action.</p>		
<p>O The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability? • Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet? • Is the authority taking action to mitigate any risks identified? • Does the authority report unplanned use of its reserves to the leadership team in a timely manner? • Is the monitoring of balance sheet risks integrated into the authority's 	<p>All major issues are identified in the Council's Risk Register and monitored as a whole by SLT on a quarterly basis. All financial issues are monitored through the monthly budget monitoring regime (reserves, key income drivers etc) and regular MTFS updates</p> <p>The Council has set up earmarked reserves to mitigate the risks of the main (known) financial risks crystallising. Substantial earmarked reserves for Business Rate income, Property Repairs and Renewals and Investment Property income are in place to offset any major fluctuations in these areas; More generally the Council also sets a Prudent General Fund Working Balance of £3m for any other issues resulting in a financial consequence</p> <p>Debt management is managed through monthly reporting and meetings with service users. Regular cashflow monitoring/forecasting is undertaken to ensure that the Council has enough resources to meet its requirements</p> <p>Borrowing and investments are reported to the Corporate management and Overview and Scrutiny Committees throughout the year.</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • More regular reporting of all the Prudential Indicators not just Treasury related • Undertake a formal balance sheet review to identify immediate and longer-lasting opportunities to improve the financial health of the Council

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
management accounts reporting processes?			
Section 7 – External Financial Reporting			
<p>P The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom</p> <p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority’s CFO aware of their responsibilities in terms of the preparation of the annual financial statements? • Are these responsibilities included in the CFO’s role description, personal objectives and other relevant performance management mechanisms? • Have the authority’s financial statements hitherto been prepared on time and in accordance with the requirements of the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i>? 	<p>The Statement of Accounts is prepared on an annual basis in accordance with the Accounts and Audit Regulations 2015, and the Code of Practice on Local Authority Accounting in the United Kingdom (the local authority accounting Code). The CFO personally certifies the annual Statement of Accounts indicating their personal and statutory responsibility.</p> <p>The authority’s leadership team and the CFO are aware of the CFO’s responsibilities in terms of the preparation of the annual financial statements and the finance team produce an annual Closing timetable, circulated to all staff, to ensure that the Council meets its obligations in regard to the production of its financial statements.</p> <p>The Council has consistently received an unqualified audit opinion from the external auditors.</p>	GREEN	<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None <p>Areas for enhancement:</p> <ul style="list-style-type: none"> • Include CFO’s specific responsibilities for ensuring that the statutory accounts comply with the Code of Practice on Local Authority Accounting in the United Kingdom in the CFO’s role description, personal objectives and other relevant performance management mechanisms
<p>Q The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions</p>	<p>The final outturn position (the Narrative Report) is presented to the Corporate Management annually. The Narrative Report presents the significant variances to the approved budget with explanations of any significant departures and where necessary actions being</p>		<p>COMPLIANT</p> <p>Areas for improvement:</p> <ul style="list-style-type: none"> • None

Runnymede BC - Assessment of Compliance with the CIPFA Financial Management Code – 2021/22

Financial Management Standard	Current Assessment	RAG	Areas for improvement
<p>Key questions:</p> <ul style="list-style-type: none"> • Is the authority’s leadership team provided with a suitable suite of reports on the authority’s financial outturn and on significant variations from budget? • Is the information in these reports presented effectively? • Are these reports focused on information that is of interest and relevance to the leadership team? • Does the leadership team feel that the reports support it in making strategic financial decisions? 	<p>taken. Any key issues arising from the outturn figures are reflected in the budget and MTFS process going forward.</p> <p>As part of the closing programme, SLT leads are provided with the equivalent Budget Book pages for their services showing the budget, probable and actual outturns for them to comment on and provide explanations for consolidating into the Narrative Report.</p> <p>The Statement of Accounts includes a reconciliation to the Comprehensive Income and Expenditure Statement that shows the link between the statutory accounts and the Council’s management account reporting formats</p>		<p>Areas for enhancement:</p> <ul style="list-style-type: none"> • None

Complaints and Compliments Quarter 3 2021/2022 (Law and Governance, Clare Pinnock)

Synopsis of report:

To provide Members with a summary of the complaints and compliments received from 1 October – 31 December 2021 (Quarter 3 of the KPI reporting structure), and report any matters that have arisen since the meeting of the Committee in November 2021.

Recommendation(s):

None. This report is for information.

1. Context of Report

- 1.1 The Council maintains a spreadsheet of formal complaints which have been recorded (and a separate register for those in which the Local Government and Social Care Ombudsman (the Ombudsman) has been involved), what they relate to and how they have been resolved. We maintain a similar spreadsheet for compliments and there is an overdue complaints register which helps us keep track of unresolved complaints.

2. Report

- 2.1 The Council's Complaints Procedure regards complaints as '*an expression of dissatisfaction about a Council service (whether the service is provided directly by us or by one of our partners/contractors) which requires a response.*' This is in line with the definition of a complaint that the Ombudsman recommends.
- 2.2 Corporate Heads are responsible for ensuring that complaints are dealt with and compliments recorded in a timely way and that entries on the central registers are accurate and comply with the General Data Protection Act. Service Requests, and people seeking information and explanations of Council policy are not generally regarded as complaints. Nevertheless, they should still be dealt with in a timely manner, be as helpful as possible to avoid a complaint being lodged subsequently and to maintain a high standard of customer service to our residents, businesses and visitors to the borough.
- 2.3 There were 20 entries in the complaints register and 23 compliments recorded in Quarter 3 of 2021/2022.
- 2.4 **Complaints Quarter 3 2021/2022**

The table below sets out the figures for Quarters 1, 2 and 3 of 2021/2022:

Business Centre	Quarter 1	Quarter 2	Quarter 3
Commercial Services	0	0	0
Community Development	6	4	0
Community Services	2	0	0
Corporate Services	0	1	0
Customer, Digital and Collection Services	3	0	1
Development Management and Building Control	3	1	3
Economic Development and Planning Policy	0	0	0
Environmental Services	8	4	4
Financial Services	4	0	0
Housing	8	8	12
Human Resources	0	0	0
Law and Governance	1	0	0
Total	35	19	20

- 2.5 Of the 20 complaints recorded, 1 was upheld and a further 4 partly so, regarding issues under the remit of Customer Services and Housing respectively. 6 were not upheld, and a further 3 are in progress. There was one complaint that has been notified to us but having sent the resident details of the formal complaints procedure they did not follow it up with any details of their complaint after 4 weeks.
- 2.6 There were 4 complaints for which a response was overdue in Quarter 3, and the relevant Officers have been asked for an update.

Lessons Learned

- 2.7 Members have requested some analysis of complaints and compliments and how service improvements can be made using the data available and for this section on lessons learned to be reinstated into this report. The following has been identified from information provided in the registers:
- To check details carefully before sending communications to customers

- To deal with service requests in a timely way to avoid delays
- The value of the personal touch in Customer Service and face to face communications in front line services
- To send a reminder to business centres to record complaints centrally with Law and Governance via their departmental contact

2.8 Compliments Quarter 3 2021/2022

Business Centre	Quarter 1	Quarter 2	Quarter 3
Commercial Services	0	0	0
Community Development	8	14	13
Community Services	1	0	2
Corporate Services	1	0	0
Customer, Digital and Collection Services	4	9	6
Development Management and Building Control	0	0	0
Economic Development and Planning Policy	0	0	0
Environmental Services	5	5	2
Financial Services	0	0	0
Housing	0	2	0
Human Resources	0	0	0
Law and Governance	0	0	0
Total	19	30	23

2.9 There were 23 compliments received for Quarter 3 2021/2022. The details, where staff were named or identifiable from the information provided, are set out in Exempt Appendix 'A'.

2.10 Some of the compliments were shared between teams; where for example Customer Services took the initial call but it was then actioned by another department such as Housing Maintenance or the Depot. Individuals in Community Development and Community Services were thanked for their care and attention to vulnerable residents and for strong partnership working with other parties such as the Police and voluntary organisations.

2.11 The breakdown of complaints and compliments in Quarters 1, 2 and 3 for 2021/2022 by Ward is set out below (- denotes complaints and + compliments)

Ward	Quarter 1		Quarter 2		Quarter 3	
	-	+	-	+	-	+

Addlestone North	11	1			1	2
Addlestone South	1	1	3	2	1	1
Chertsey Riverside	2		3		1	4
Chertsey St Ann's	1	1	1	2	2	1
Egham Hythe	2	1	1	2	4	
Egham Town	3	2	2	2	2	
Englefield Green East	3	1		2	1	1
Englefield Green West	2	2	1	2	2	
Longcross, Lyne and Chertsey South		1	3			
New Haw	2		1	1		
Ottershaw	1	1	1	3	2	1
Thorpe	1	1		1		
Virginia Water	4			1	2	1
Woodham and RowTown						2
Out of Borough	2	7	1	9	2	6
Unrecorded	0	0	2	3		4
Totals	35	19	19	30	20	23

- 2.12 Recording complaints and compliments is a valuable tool for the Council to review performance and improve the delivery of services.
- 2.13 Members are asked to note that since the meeting in November, following the retirement and/or taking voluntary redundancy of several senior managers during Quarter 3 and subsequent restructures, the registers have now been updated for Quarter 4 going forward.
- 3. Policy framework implications**
- 3.1 The Complaints policy and procedures are reviewed regularly.
- 3.2 Officers are giving consideration to whether we should regard a complaint as 'out of time' in the same way as we do if a complaint is made about a Councillor if the person does not follow it up after 4 weeks with any further details that would suggest that an investigation might be appropriate, and to amend the complaints policy accordingly.
- 3.3 The rationale behind this approach is that a complaint is an expression of dissatisfaction with the service delivered by the Council. It is recorded by the Council to enable it to measure its performance in an objective fashion and use such information to improve the way it operates. Complaints have a positive impact for an organisation because they allow lessons to be learnt.
- 3.4 By recording complaints on the system which are not being investigated because no actual details have been provided distorts the statistical data that the Council holds. It also causes confusion because it may give the impression that the Council is performing more poorly than it actually is.

3.5 Officers would view four weeks as being a reasonable period of time for someone to provide follow up information in respect of a complaint. If there were a reasonable reason why information was not provided within four weeks e.g. serious illness, then the complaint could be reopened.

4. **Resource implications**

4.1 The registers are co-ordinated by an Officer in Law and Governance; on behalf of the Monitoring Officer, but time is also spent by other Officers, particularly in Housing and Customer Services whose input is much appreciated.

5. **Equality implications**

5.1 The Council has a duty under the Equality Act 2010. Section 149 of the Act provides that we must have due regard to the need to;

- a) eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act
- b) to advance equality of opportunity
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share protected characteristics.

We should at all times act in a way that is non-discriminatory through our policies and procedures and interactions with people.

5.2 In the last reporting period there were four compliments which can be considered relevant to the protected characteristics of age and/or disability and gender, and two complaints that could be identified as relevant to race and disability. However, these were not upheld with regard to the elements regarding their protected characteristics but we did accept responsibilities for the delays in dealing with their issues.

(For information)

Background papers

The Complaints and Compliments Registers held on the Council's feedback drive and relevant (part exempt) emails on the Council's outlook system.

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Exclusion of Press and Public

Officers Recommendation that –

The press and public be excluded from the meeting during discussion of Exempt Appendix 'A' to item 9 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 paragraph 2 of Schedule 12A of the Act.

(To resolve)