



Standards and Audit Committee

Tuesday, 22 November 2022 at 7.30 pm

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

Members of the Committee

Councillors: M Nuti (Chairman), J Broadhead (Vice-Chairman), A Berardi, D Cotty, L Gillham, J Hulley, J Olorenshaw, S Ringham, S Walsh and S Williams

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

- 1) 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.
- 2) 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).**
- 3) Agendas and Minutes are available on a subscription basis. For details, please contact democratic.services@runnymede.gov.uk or telephone 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on www.runnymede.gov.uk.
- 4) 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.

5) 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 - 7
	To confirm and sign as a correct record the Minutes of the meeting held on 20 September 2022 (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 2022/2023	8 - 18
6. Internal Audit Progress Report for outstanding Recommendations at the Depot only	19 - 27
7. Internal Audit Progress Report for Outstanding Recommendations	28 - 36
8. Counter Fraud Service Update	37 - 45
9. Complaints and Compliments Quarter 2 2022/2023	46 - 50
10. Exclusion of Press and Public	51
Part II	
Matters involving exempt or confidential information in respect of which reports have not been made available for public inspection	
11. Exempt Appendix A	52 - 53

Runnymede Borough Council

Standards and Audit Committee

Tuesday, 20 September 2022 at 7.30 pm

Members of the Committee present: Councillors M Nuti (Chairman), J Broadhead (Vice-Chairman), D Cotty, L Gillham, J Hulley, J Olorenshaw, S Ringham and S Williams.

Members of the Committee absent: Councillors A Berardi and S Walsh.

196 **Minutes**

The Minutes of the meeting held on 25 May 2022 were confirmed and signed as a correct record.

197 **Apologies for Absence**

Apologies for Absence were received from Councillors A Berardi and S Walsh.

198 **Declarations of Interest**

There were no declarations of interest to record.

199 **Summary Internal Controls Assurance (SICA) Report 2021/2022 and 2022/2023**

The Committee received for information, details of the progress against the 2021/2022 and 2022/2023 audit programme.

From the 2021/2022 plan most audits had been completed, with 6 audits at draft stage, but which TIAA were confident would reach final report stage shortly.

Members were assured that the audits cancelled from the 2021/2022 plan would be picked in the current year's programme where good progress had already been made, with 8 audits at the fieldwork in progress stage, including HR Absence Management, Commercial Property, Commercial Rents, Housing Allocations and Homelessness, Governance (Gifts and Hospitality), Data Protection, Housing Health and Safety and Car Parking.

The Committee also reviewed priority 2 recommendations in respect of Planning Enforcement and Risk Management. The latest list of Client Briefing Notes was also brought to the Committee's attention, which could be circulated on request.

Members took the opportunity to enquire whether the Council's external auditors were in a position to sign off the 2019/2020 Statement of Accounts. Officers confirmed that owing to their resources, they were not. The Assistant Chief Executive reported that she would be following this up with BDOs Head of Public Sector Assurance.

TIAA's Officer confirmed that a number of the audits planned for 2022/2023 were being brought forward to ensure they did not fall behind with completing the programme. One issue TIAA had identified was the current staff turnover at the Council. For example if an Officer left who was responsible for implementing recommendations or who was the main contact for their audit, there was a delay in it being picked up by someone else.

Members were advised that an additional 6 days was required for the HR Absence Management Audit. The Committee thanked TIAA's Officers for their work.

200 **Internal Audit Progress Report for Outstanding Recommendations**

The Committee noted progress with the implementation of outstanding recommendations from previous audits.

Members learned that 6 further recommendations had been completed since the last meeting, 8 were outstanding still, 4 of them in relation to the Depot. Members were very keen to see some progress with the Depot given that the recommendations had been first made some years ago and were all important issues for this high risk operation. TIAA's Officers hoped for some engagement by senior management and anticipated submitting a report to the next meeting of the Committee. Members were cautioned that if no progress was made, the audit could again be of limited assurance. The difficulty of recruiting HGV drivers was noted. Officers advised that recent successful recruitment to key posts, physical improvements being made to the Depot and the forthcoming transfer of staff internally and through TUPE regarding grounds maintenance, some positive outcomes were expected. In addition, the appointment of a HR Business Partner with specific responsibility for the Depot (amongst other departments) and a Retention and Recruitment Manager within HR were both helpful.

The outstanding recommendations with regard to ICT and Procurement were being pursued.

201 **Internal Audit Annual Assurance Report**

TIAA's Officers presented their Annual Assurance Report for 2021/2022 with apologies for the delay in submission. This was due to various resourcing issues and engagement with auditees.

TIAA had referred in their annual audit opinion to the delay in 2019/2020 Statement of Accounts being signed off and the risk that presented to the Control Framework. However, it was stressed this was not a reflection on the accounts themselves but was owing to a lack of auditor staff resource in BDO. The recruitment and retention of auditors was a national problem, acknowledged by all parties.

TIAA reported a positive audit opinion, and satisfied that the Council's risk management control and governance arrangements were adequate to justify his opinion.

In 2021/2022, 184 audit days had been approved which converted to an actual of 158 days, owing to the cancellation of 5 audits and the audit on Housing Section 106 and CIL taking 10 days instead of the planned for 6 days. These produced 11 substantial assurance audits, and 9 of reasonable assurance. There were 14 important and 26 routine recommendations made during the year, and no urgent recommendations. There were 12 operational effectiveness opportunities identified.

In terms of Performance and Quality Assurance, only one of the targets had not attained 100%; this was the final report being issued within 10 working days of receipt, which was 95%.

Members noted a detailed breakdown of attainment for all the audits in the 2021/2022 plan.

The Committee thanked TIAA for their work over the year who in turn thanked Council staff for their input and co-operation.

202 **Local Government and Social Care Ombudsman Annual Report 2021/2022**

The Committee noted receipt of the annual letter and review for the year ending 31 March 2022 from the Local Government and Social Care Ombudsman.

The Committee agreed this was a positive report, with the Council comparing favourably and consistently with its peers in Surrey. A new column had been added regarding service improvement notices. A total of 8 complaints and enquiries had been made of the Ombudsman, plus 6 by the Housing Ombudsman. No complaints to the Ombudsman had been upheld, and one was upheld as a case of maladministration and injustice by the Housing Ombudsman. In this case Members noted that it had three strands, one of which was upheld and the Council asked to pay additional compensation to that already paid when being dealt with at Council level.

Officers confirmed that 9 decisions had been issued, as one was a complaint received by them in July 2020, but the notice was not published until April 2021. There were 6 Housing cases, and one each for Benefits/Tax, Environmental Services and Public Protection Regulation and Planning.

The Council's Link Officer with the Ombudsman within Democratic Services continued to have good assistance with Officers dealing with these enquiries and maintained a separate register to keep track on cases and check against the statistics issued by the Ombudsman.

The Committee was advised that the Ombudsman was working on a joint handling protocol with the Housing Ombudsman to introduce more consistency and a clear message for complainants.

In terms of general feedback nationwide, the Ombudsman reported an increasing number of Council who were late complying with recommendations. Runnymede was not amongst these, having achieved a 100% compliance rate.

It was confirmed that the Housing cases mainly concerned quality of the housing stock, in all but one case not upheld. The Committee noted that a compensation policy was being considered by the Housing Committee, acknowledging that this was a key risk. Understanding the nature of complaints was important, noting that case details (anonymised) were available on the Ombudsman's website and sent to relevant Officers.

Officers confirmed that the Council fulfilled its statutory duty under section 5(2) of the Local Government and Housing Act, by reporting on Ombudsman cases and outcomes, including if any public interest reports had been issued in respect of the Council. There had been none issued in the last nine years.

Officers were thanked for their report, reflecting the positive position of the Council.

203 **Complaints and Compliments Quarter 1 2022/2023**

The Committee noted the statistics and summarised information with regard to complaints and compliments from Quarter 1 2022/2023.

Officers reported 27 complaints and 24 compliments were included on the registers. 10 complaints had been upheld or partly so, 9 not upheld, 7 were overdue and 1 still in progress.

Although there had been 16 complaints about Housing which was higher than usual, those that were upheld (10) had been satisfactorily resolved.

Some complaints related to the delay in dealing with service requests. Customer Services had introduced a case management system to try and address this and included staff in Democratic Services so that the register was accurate and timely reminders could be issued. Members did note that resources were stretched with many conflicting priorities.

Members were pleased to learn that Housing had also received the highest number of compliments in Quarter 1, some of which were shared with the Home Improvement Agency

in Community Services, showing good collaborative working across departments for some of the more vulnerable members of the community.

Where individuals and teams were named in compliments the letters and certificates had been sent out in July when the report would have been considered by the Committee meeting that was cancelled. These had produced positive feedback from recipients.

In closing the meeting, the Chairman asked that the training slides from the session before the meeting took place be circulated to the Committee.

204 **Exclusion of Press and Public**

There was no discussion with regard to the Exempt Appendix to item 8

(The meeting ended at 8.25 pm.)

Chairman

Summary Internal Controls Assurance (SICA) Report 2022/2023 (TIAA, Chris Harris)

Synopsis of report:

To inform Members on the progress made to date by TIAA, the Council's internal auditors, on the outstanding 2021/22 audits and the 2022/2023 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 2 November 2022.

2. Report

2.1 The report identifies 4 audits completed since the last meeting of this Committee. These are:

2021/22 Audits

Communications	Substantial
Main Accounting	Substantial
Customer Services	Reasonable
Sheltered Accommodation	Reasonable

2.2 Fieldwork is in progress for 13 audits from the 2022/2023 plan and one audit has been finalised.

2.3 Two client briefing notes have been issued by TIAA since the last report to Committee, 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

22 November 2022 – Standards and Audit Committee

2022/23

November 2022

Summary Internal Controls Assurance

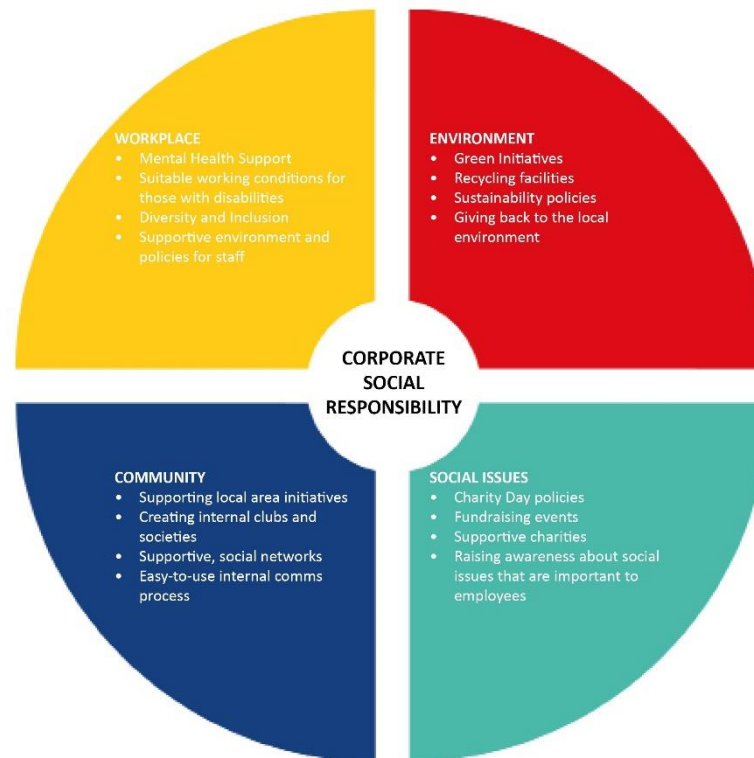
Introduction

1. This summary internal controls assurance (SICA) report provides the Standards and 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 2nd November 2022.

Emerging Governance, Risk and Internal Control Related Issue

2. Corporate social responsibility (CSR) refers to the self-imposed responsibility of businesses to society in areas such as the environment, the economy, employee well-being, and competition ethics. Many businesses use internal CSR regulation as a form of moral compass to positively influence the ethical development of their business.

Traditionally, CSR was viewed as something only large businesses practiced. In the past, simply having a CSR intention in place was already enough for a business to be recognised as socially responsible, even if the idea of social responsibility did not influence the business model or the production processes. In today’s market however, businesses of all sizes are increasingly held responsible for their social and environmental impact by their customers. And because every business is part of a value/supply chain consisting of other businesses, when they advocate for sustainability, ethical practices, and generosity, this creates a positive ripple effect on all stakeholders.



Audits completed since the last SICA report to the Standards and 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
2021/22 Audits								
Communications	Substantial	01.09.22	15.09.22	15.09.22	-	-	-	-
Main Accounting	Substantial	30.09.22	30.09.22	30.09.22	-	-	-	-
Customer Services	Reasonable	05.10.22	05.10.22	07.10.22	-	-	-	-
ICT – Software Asset Management								
ICT – Contract Management								
Sheltered Accommodation	Reasonable	14.09.22	18.10.22	19.10.22	-	1	4	-

4. The Management Action Plans, where there are priority 1 or 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 and 2022/23 Annual Plans

5. Our progress against the Annual Plan for 2022/23 is set out in Appendix A.

Changes to the Annual Plan 2022/23

6. The following changes have been made to the 2022/23 internal audit plan.

Review	Rationale
Leisure Contract - Cancel	Leisure contract not ready to be audited. Delete from 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 B.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1			Priority 2		
Sheltered Accommodation	19.10.22	0	0	0	0	1	0

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 3 (2021/22)	Qtr 4 (2021/22)	Qtr 1 (2022/23)	Qtr 2 (2022/23)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	-	-	17%	37%		
Risk Mitigation	-	-	-	-		
Control Compliance	-	100%	83%%	63%		
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 the following client briefing notes or fraud alerts, since the previous SICA report. See Appendix C.

Client Briefing Alerts issued by TIAA

Briefing Note
Government Response – Consultation on extending National Fraud Initiative data matching to new purposes
Five-year local authority audit procurement results announced
Fraud Alert
None issued in period

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 Standards and Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Sheltered Accommodation	Reasonable

Progress against Annual Plan – 2022/23

System	Planned Quarter	Current Status	Comments
Commercial Property	1	Fieldwork in progress	
Commercial Rents	1	Fieldwork in progress	
HR: Absence Management	1	Fieldwork in progress	
Housing Allocations and Homelessness	1	Fieldwork in progress	
Leisure Contract	1	Cancelled	Cancelled – no Leisure contract
Community Grants	1		Commenced in September but has been postponed by two/three months at the request of the client
Governance – Gifts and Hospitality	1	Fieldwork in progress	
Data Protection & Information Governance	2	Fieldwork in progress	
ICT – Service Desk	2		
ICT – Virtual / Cloud based approach to DR	2		
Housing Health and Safety	2	Fieldwork in progress	
Recruitment	2		
Depot (including Trade Waste)	2	Final report issued 1 November 2022	Follow up review of previous audit recommendations
Car Parking	2	Fieldwork in progress	
Payroll	3	Fieldwork in progress	
Budgetary Control	3	Fieldwork in progress	

Key Revenues Controls: -Housing Benefits and Council Tax Support -Business Rates -Council Tax	3	Fieldwork in progress	
Key Financial Controls: -Accounts Payable (Creditors) -Accounts Receivable (Debtors)	3	Fieldwork in progress	
Procurement/Contracts	4		
Climate Change	4		
Income – Cash & Bank	4	Fieldwork in progress	
Main Accounting (General Ledger)	4		
Capital Accounting and Asset Management	4		
Housing Rents	4		
Follow Up	1 - 4		

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
Sheltered Accommodation						
Management to liaise with Finance to ensure that all payments received are appropriately recorded on the Finance system, with the correct VAT treatment.	1	All payments are being entered onto a green with the correct cost code required to be located on the Finance system.	Implemented	Senior Manager IRL IRL Manager		Mitigated
		All VAT for IRL recorded correctly through the income management system.	Implemented	Senior Manager IRL IRL Manager Finance		
		The incorrect entry was shown on the total finance ledger the income management system.				

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
----------	---------------	--	----------	------------------	--



Risk Mitigation

CLEARED	Internal audit work confirms action taken addresses the risk exposure.	ON TARGET	Control issue on which action should be taken at the earliest opportunity.	EXPOSED	Target date not met & risk exposure still extant
----------------	--	------------------	--	----------------	--

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 22030	Government Response – Consultation on extending National Fraud Initiative data matching to new purposes		No Action Required: For information only to Audit Committees and Boards/Governing Bodies.
CBN 22031	Five-year local authority audit procurement results announced		Action Required: Non urgent Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the new guidance

Internal Audit Progress Report for Outstanding Recommendations at the Depot only (TIAA, Chris Harris)

Synopsis of report:

To inform Members on the progress made by Council Officers at the Depot 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 in relation to the 2020/21 Depot audit.

2. Report

- 2.1 At the time of writing this report 5 recommendations from the 2021/22 internal audit report were still outstanding. The Corporate Head of Environmental Services and the DSO Manager will be in attendance at the Standards and Audit Committee to answer any questions.

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

Follow Up Review – Depot

2022/23

October 2022

Executive Summary

Introduction/Background

1. This follow up review by TIAA established the management action that has been taken in respect of the recommendations arising from the Depot internal audit review carried out in 2020/21, which was given an overall assessment of Limited Assurance. The follow up review was carried out in October 2022.

It was advised that the DSO team has been under resourced since the end of 2019. Since the last audit a new Corporate Head of Environmental Services was appointed at the beginning of the financial year. A new Health and Safety Officer for the DSO team has recently been appointed, and a new Operations Manager for the DSO team has been appointed and is due to start in November 2022. In addition, the grounds maintenance function of the Council is due to form part of the DSO services shortly and therefore incorporation of these elements would need to form any future audits that were conducted.

With the DSO team being under resourced, the new Operations Manager due to start in November 2022, and the grounds maintenance function being incorporated as part of the DSO services a full audit was not considered feasible at this time, however a follow up review relating to the previous audit recommendations has been carried out.

Key Findings & Action Points

2. 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	-
Outstanding	5
Considered but not Implemented	-
Not Implemented	-

3. Very little progress has taken place to implement the recommendations made in the previous audit, which has been attributed to a lack of resources. However, over the next six months it is expected that considerable progress will be made, with revised implementation dates provided in all cases as highlighted in the Detailed Findings section below. The key issues identified are as follows:
- A separate risk register for the Depot has been created, however this is still work in progress;
 - Currently operatives do not undergo yearly training;
 - The optimisation route package for the Bartec system has not yet been purchased;
 - Detailed stock take procedures have not been documented.

Scope and Limitations of the Review

4. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
5. 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.
6. 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.

Disclaimer

7. The matters raised in this report 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.

Release of Report

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

Date final report issued:	
----------------------------------	--

Detailed Findings

Follow Up

9. 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:

Audit title	Assurance Review of Depot	Audit year	2020/21	Priority	1
Finding	<p>It was noted in the previous audit review that the Depot did not have its own risk register, and a recommendation was raised in this respect. Given the nature of the work undertaken at the Depot, such as refuse collection/street cleaning, where aspects of this work could be classed as high risk, particularly with regard to health and safety, the associated risks should be considered. Discussions with the Depot Manager during this review confirmed that a risk register relating specifically to the depot is not yet in place.</p> <p>Discussions with the Corporate Head of Environmental Services confirmed that they are still in the process of evaluating the risks relating to the Depot, in particular relating to Health and Safety. A Covid Health and Safety risk assessment has been conducted as well as a Health and Safety Audit.</p>				
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	<p>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.</p> <p>New implementation date set to allow for outcome of on-going H&S risk assessments report.</p>				
Responsible Officer/s	DSO Manager / Corporate Head of Environmental Services	Original implementation date	30/09/21	Revised implementation date(s)	30/04/2023
Latest Update	<p>A risk register for the Depot has been created, which is currently a work in progress.</p> <p>Individual risk assessment templates have been formulated by the new Health and Safety Officer and appropriate training on how these should be completed is due to be conducted.</p> <p>Once the risk assessments have been completed and an appropriate analysis of the risks conducted a comprehensive risk register will be developed.</p>				
Status	Outstanding			Implementation is in progress but the original target date has not been met.	

Audit title	Assurance Review of Depot	Audit year	2020/21	Priority	2
--------------------	----------------------------------	-------------------	---------	-----------------	----------

Finding	<p>It was noted as part of the previous audit that induction training provided should become an annual training requirement for all operatives. Therefore it would take into account any changes during the year and act as a refresher. In addition a central record should also be maintained to record what training has been provided and when the training was given.</p> <p>Discussion with the Depot Manager during the review confirmed that:</p> <ul style="list-style-type: none"> • Relevant training had not taken place during 20/21 due to the Covid Pandemic as social distancing while training is quite difficult, • In addition, no records were available of recent training prior to the pandemic, and it was advised that a training matrix is not yet in place, • The Direct Services Organisation (DSO) Procedure Manual currently does not outline the procedure relating to training. 				
Recommendation	<p>Operatives to undergo annual training to make sure they are aware of any changes to procedures and to eliminate any bad habits that might have developed over time, and a central training log be developed to provide a comprehensive record of all training given with evidence of competency and understanding. The procedure manual be updated to reflect the procedure and process relating to Training.</p>				
Initial management response	<p>Noted and agreed. Proposed new post of Depot compliance officer to cover all staff training requirements. However, this is subject to on-going recruit freeze.</p>				
Responsible Officer/s	DSO Manager / Corporate Head of Environmental Services	Original implementation date	30/04/22	Revised implementation date(s)	30/03/2023
Latest Update	<p>Induction training has been provided to all new starters. However, currently operatives do not undergo annual training.</p> <p>There has been a comprehensive training schedule developed. The schedule involves the following courses:</p> <ul style="list-style-type: none"> • Reversing assistant/banksman train-the-trainer course scheduled for 17 November 2022. • Terberg train-the-trainer course (how to load bins onto the lifting mechanism of the truck) scheduled for 16 November 2022. <p>In addition first aid training and lone working training courses are due to take place however, the dates for the courses are yet to be confirmed.</p>				
Status	Outstanding			Implementation is in progress but the original target date has not been met.	

Audit title	Assurance Review of Depot	Audit year	2020/21	Priority	2
Finding	<p>It was noted as part of the previous audit review that the main gate to access the Depot was broken and that though CCTV is in operation around the Depot, this required upgrading.</p> <p>Discussions with the Depot Manager during the review confirmed that, while ad-hoc repairs have been carried out, the infrastructure at the Depot is still very poor including the Intercom and CCTV as well as the entrance gate.</p>				
Recommendation	<p>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.</p>				
Initial management response	<p>These are both longstanding issues and indicative of a lack of regular maintenance and investment by the authority into what are ailing facilities.</p> <p>Both are included in the current Depot feasibility study and require financial investment to rectify.</p>				
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(s)	30/06/2023
Latest Update	<p>The main gate to access the Depot has been repaired and a key fob is required to access the Depot. Visitors are able to gain access by pressing a door bell.</p> <p>A refurbishment project relating to the Depot has been authorised and a budget allocated. Currently the project is being managed by the Assets and Regeneration Team.</p>				
Status	Outstanding			Implementation is in progress but the original target date has not been met.	

Audit title	Assurance Review of Depot	Audit year	2020/21	Priority	3
Finding	<p>It was noted as part of the previous audit review that the Waste Management System (Bartec) enables all vehicles to be accurately tracked and for important data for each round to be monitored from the depot.</p> <p>Discussions with the Depot Manager during the review confirmed that the Bartec system is currently being used to produce monitoring reports such as the number of garden waste bin subscribers, trade waste customers and list of clinical waste collections. (The monitoring reports could not be reviewed during testing though the information had been requested). However since the optimisation route package for the system is still to be purchased the system is only working at 60% efficiency, therefore the system needs further consideration as to its effectiveness.</p>				
Reqaest 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 / Corporate Head of Environmental Services	Original implementation date	30/09/21	Revised implementation date(s)	31/10/2025
Latest Update	The optimisation route package has not yet been purchased. The contract relating to the Bartec system is due for renewal in October 2025; the Bartec system as a whole will be reviewed at the time of renewal and the optimisation package purchased if appropriate.				
Status	Outstanding			Implementation is in progress but the original target date has not been met.	

Audit title	Assurance Review of Depot	Audit year	2020/21	Priority	3
Finding	<p>As per the Direct Services Organisation Procedure Manual stock checks of the various bins should be conducted every three weeks. The Bins stock check record for the period April to December 2020 were obtained and reviewed. It was noted that regular stock checks had occurred during that period relating to the various types and sizes of Bins. In addition all deliveries and the Annual Monthly Usage had been recorded.</p> <p>Discussions with the Administrative Assistant confirmed that there were no detailed Stock take Procedures as well as specifically identifiable re-order levels.</p>				
Recommendation	Detailed stock take procedures be documented and a re-order level established, where appropriate.				
Initial management response	Noted.				
Responsible Officer/s	DSO Manager /Corporate Head of Environmental Services	Original implementation date	30/09/21	Revised implementation date(s)	30/04/23
Latest Update	Detailed stock take procedures have not been documented. A review of all the policies and procedures relating to the Depot is due to be conducted by the new Health and Safety Officer and relevant stock take procedures will be documented. The re-order level for the main stock (which is the Bin Stock) has been established.				
Status	Outstanding			Implementation is in progress but the original target date has not been met.	

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 earlier.

2. Report

- 2.1 At the time of writing this report, 4 of those had been implemented and 5 are now outstanding.

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

2022-23

November 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 October 2022. Since the previous follow up review was carried out (August 2022), five recommendations have reached their initial or revised target implementation date, and status updates have also been sought for the additional four recommendations previously reported as outstanding.
3. A separate follow up review has been carried out as part of the 22/23 internal audit plan in relation to the previous Depot audit. Progress on the outstanding recommendations have been reported separately, therefore these have not been included in this report.

Key Findings & Action Points

4. 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	4
Outstanding	5
No Longer Applicable	0
Not Implemented	0

5. For the four recommendations that have been confirmed as implemented, no further action is necessary and specific details have not been included in this report
6. For the five 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.

Scope and Limitations of the Review

- 7. 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.
- 8. 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.
- 9. 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

- 10. The table below sets out the history of this report.

Date final report issued:	
----------------------------------	--

Detailed Findings

Follow Up

11. 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:

12. Business Continuity

Audit title	Business Continuity	Audit year	2021/22	Priority	3
Recommendation	The debrief report be finalised and the recommendations implemented in a timely manner in order to ensure appropriate risks are being mitigated.				
Initial management response	<p>Formal reporting took place to Overview and Scrutiny Select Committee in July 2020. No amendments were proposed by Members, so this document became the final Debrief Report. The Council continues to refine its responses to emergency situations on an on-going basis alongside moving into a “Living with covid” phase that may require different responses to that at the height of the pandemic. Where appropriate, recommendations have been implemented, for example the Mayor’s Thank you sessions for volunteers who supported residents during the pandemic. Other lessons learnt have been incorporated into the iterative process of reviewing our Emergency response and Business continuity plans.</p> <p>An officer group is being set up to ensure there is a forum for this continuous review and update of policies so that the recommendations from the review and lessons learnt are embedded into future processes.</p>				
Responsible Officer/s	Head of External Projects and Climate Change	Original implementation date	Terms of reference for new group to be agreed by 30/09/22	Revised implementation date	30/11/22
Latest Update	It was advised by the Head of External Projects and Climate Change that there has been a slight delay due to unforeseen events. A workshop to kickstart the review and update of polices, and consideration of scenarios and responses, including the establishment of the Officer Group and its terms of reference has been diarised for 16 November 2022 with a view to finalising the terms of reference by the end of November 2022.				
Status	Outstanding			A revised target date has been set.	

13. ICT – Mobile Device Security Management

Audit title	<u>Mobile Device Security Management</u>	Audit year	2018/19	Priority	2
Recommendation	A more regular review schedule be put in place for all policies and procedure documents relating to Mobile Device Management, with additional detail to be added to the current Mobile Device Management policies as per the report text.				
Initial management response	Agreed, the policies will be updated as the contracts come up for review moving forward but all will be done by the end of the calendar year.				
Responsible Officer/s	Infrastructure and Security Manager	Original implementation date	31.12.19 (subsequently March 2021, then March 2022, then June 2022, then October 2022)	Revised implementation date	31.12.22
Latest Update	<p>It was previously advised that the policies had been written but required formal approval. The Chief Executive had requested for these to be reviewed via the Transformation Working Group, however agreed dates had not been received from the leader on the meeting. It was therefore suggested to move the implementation date to October 2022 as the policies could not be rolled out until they had been approved.</p> <p>A further update was provided during this review that the policies have now been scheduled for the December Service Transformation Working Group meeting.</p>				
Status	Outstanding			A revised target date has been set.	

Audit title	<u>Mobile Device Security Management</u>	Audit year	2018/19	Priority	2
Recommendation	Regular risk assessments of their mobile devices and installed software be implemented and scheduled.				
Initial management response	Whilst the recommendation is noted, it will be difficult to implement particularly for staff who have their own devices which they then have access to their work e-mails on. All staff sign up to the Council’s ICT protocol and the Member protocol has also been reviewed so everyone is aware of the risks around data security and loss. Management will consider how security can be improved without conducting onerous risk assessments on staffs personal devices.				
Responsible Officer/s	Infrastructure and Security Manager	Original implementation date	31.03.20 (subsequently March 2021, then	Revised implementation date	31.01.23

			March 2022, then June 2022, then October 2022)		
Latest Update	<p>With regards to the risk assessments it was previously advised that new software for supporting remote management of devices (Intune) was installed on the majority of devices and this was an ongoing piece of work with staff working remotely to get them to have the software installed. The existing mobile phone contract was also being reviewed where the Council would be streamlining devices. This was due for renewal at the end of September 2022.</p> <p>A further update was provided during this review that all devices will have moved to Intune by December. There is also a mobile phone penetration test and software review schedule by MTI starting on 31st October. It was therefore considered that the recommendation on mobile phones would be fully implemented by January 2023.</p>				
Status	Outstanding			A revised target date has been set.	

14. Procurement

Audit title	Procurement	Audit year	2020/21	Priority	3
Recommendation	Procurement Strategy and associated policies be finalised at the earliest opportunity to ensure that the overall vision, direction and priorities for the Council's procurement activities are clearly communicated.				
Initial management response	Needs to be reflective of the Council's strategies for Climate Change, Prosperous Economy and Health and Wellbeing Corporate Themes that are being developed and drafted with deadline of Nov '21. Review and revise draft Procurement Strategy in light of these emerging strategies.				
Responsible Officer/s	Head of Business Planning, Projects and Performance	Original implementation date	Q1 2022/23	Revised implementation date	TBC
Latest Update	<p>It was originally envisaged that this would be a task for a new Procurement Manager post. However, it was subsequently agreed in March 2022 that the new Procurement Manager post would be kept vacant during 2022 whilst options for the future provision of procurement is investigated. The task would therefore be completed by the Head of Business Planning, Projects and Performance however resource capacity is an issue. Recruitment to a permanent Procurement Officer post has failed three times and the Interim Procurement Officer left the Council in August. As a result, resource capacity in the team to deliver on ongoing procurements is stretched. It was advised that the Strategy review is underway but is taking longer due to resources.</p> <p>A further update was provided during this follow up review that the team has been short by 1.0FTE during September and October. An offer has been made to a candidate for the Procurement Officer post and waiting on acceptance. If accepted, it is likely that the post will be filled from January 2023.</p> <p>A specific revised timeframe for completion of the Strategy was not provided.</p>				
Status	Outstanding				

Audit title	Procurement	Audit year	2020/21	Priority	3
Recommendation	Procurement to liaise with Heads of Service to ensure that roles and responsibilities are clearly understood. This could be incorporated into the Procurement Strategy, or documented separately as part of a Procurement Charter or roles and responsibilities matrix.				
Initial management response	<p>Work with a range of stakeholders to develop a roles and responsibility matrix.</p> <p>Take a proposal to SLT as an agenda item for approval.</p> <p>Add to the Procurement Toolkit.</p> <p>SLT are carrying a number of posts vacant and therefore needs to be actioned once new postholders are onboarded.</p>				

Responsible Officer/s	Head of Business Planning, Projects and Performance	Original implementation date	Q2 2022/23	Revised implementation date	TBC
Latest Update	It was advised by the Head of Business Planning, Projects and Performance that resource capacity issues in the team mean this is unlikely to be progressed during Q2 or Q3. A specific revised timeframe was not provided.				
Status	Outstanding				

Counter Fraud Service update, (Amanda Fahey, Assistant Chief Executive)

Synopsis of report:

This report reviews the existing Counter Fraud Service between Runnymede Borough Council and Reigate & Banstead Borough Council and makes recommendations for future provision.

Recommendation(s):

Members of the Standards and Audit Committee are asked to:

- i) consider the proposal to increase resources to combat fraud, and approve a further 3 year agreement with Reigate and Banstead Borough Council from 1 April 2022 to 31 March 2025 for the provision of a Counter Fraud Service; and**
- ii) recommend to Corporate Management Committee approval of a supplementary estimate of £12,700, to be split 80/20 between the Housing Revenue Account and the General Fund, following consultation with the Chairman of the Housing Committee**

1. Context and background of report

- 1.1 In 2014, the Government transferred responsibility for Housing Benefit Fraud investigation to the Department for Work and Pensions. Recognising however, that the Council's broad range of activities carries an on-going risk of fraud, the Council agreed to fund its own Fraud Investigation resource to combat risk in areas such as housing tenancies, homelessness applications, council tax discounts and right to buy applications.
- 1.2 The investigation and detection of fraud carries a dual benefit both as a deterrent to those who may consider committing fraud and in achieving savings, not only for the Council but to the wider public purse. It also helps to ensure that scarce resources are used by those most in need of services rather than being consumed by those who are not eligible for those services.
- 1.3 In April 2019, the Council entered into an agreement with Reigate and Banstead Borough Council (RBBC) to supplement its internal resource and provide a comprehensive counter fraud service. During 2021, the Council's internal resource left the Authority and the agreement with RBBC was increased to cover this workload. Under the agreement, RBBC would provide 2.5 full time equivalent staff (FTEs) to fulfil its requirements, consisting of 1 FTE Investigation Officer, 1 FTE Intelligence Officer and 0.5 FTE to cover National Fraud Inspectorate (NFI) data matching exercises.
- 1.4 The team at RBBC is led by the Head of Service and the Fraud Manager, supported by 4 Investigation Officers, 7 Intelligence Officers and an Accredited Financial Investigator (based at Portsmouth City Council). The team has reciprocal arrangements with the fraud team at Oxford City Council to provide resilience and share expertise, meaning that any staff absence can

be seamlessly filled without any additional costs to RBC. An agreement is also in place with Trading Standards at Portsmouth City Council to provide expertise for financial investigations and prosecutions under the Proceeds of Crime Act 2002.

- 1.5 The RBBC team provide services to 4 Surrey Councils in addition to on demand support for several housing providers and other local authorities outside of Surrey.

2. Report

Current Service Provision and Performance Data

- 2.1 The RBBC counter fraud team investigate all areas of potential fraud within Runnymede Borough Council (RBC), primarily around Housing and Revenues and Benefits services, and supporting the Council to carry out its duties under the National Fraud Initiative. At present, the level of support being provided is over and above that agreed when the service was last reviewed during 2021, due to the demand from RBC services for investigative support. Costs for the service have been maintained at the previous level while a review of resource requirements has been undertaken but this now needs to be regularised and either return to the level of resources previously approved or increase the contract to encompass the additional resources being utilised.
- 2.2 The current support being provided is 2 FTE Intelligence Officers, 0.5 FTE Investigation Officer and 0.5 FTE Intelligence Officer covering NFI work.
- 2.3 All proactive referrals from RBC staff are set up by RBBC on the OPUS case management system. Referrals are made by emailing directly to an inbox which is monitored by 2 RBBC Intelligence Officers. Further checks are carried out and evidence recorded against the case.
- 2.4 To ensure that preliminary findings are relayed in a timely manner to RBC officers, timeframes have been agreed for housing referrals:
- Pending nominations: 48 hours
 - New applications: 5 working days
 - Homeless and Prevention: 5 working days
 - Right to Buy: 10 working days
- 2.5 Reactive referrals are made from within RBC or by third parties, via the website, email or phone line. Again, these are then set up on the OPUS case management system. These referrals may include:
- Living Together allegations
 - Undisclosed earnings/capital allegations
 - Subletting allegations
- 2.6 The National Fraud Initiative matches electronic data within and between public and private sector bodies to prevent and detect fraud. The Council is required to submit data on a regular basis and RBBC monitors any matches arising from this data, sending letters, chasing responses and escalating to an investigator where appropriate.

2.7 RBBC also provides fraud awareness training to staff in relevant service areas.

2.8 RBBC applies Cabinet Office savings figures to various types of successful intervention or investigations. These values, as set out under Cabinet Office NFI Outcomes Methodologies, are set out below:

- Tenancy Recovered (e.g., sub-letting) - £93,000
- Housing/Homeless application withdrawn - £3,240
- Right to Buy withdrawn/terminated – value of individual amount of discount offered by Housing Provider, max discount £77,900
- Council Tax Discount – annual discount x 2 years
- Council Tax Support – either the weekly difference x 21 weeks or the amount of excess
- Business Rates – actual figures per case
- Housing Benefit – value of overpayment identified

2.9 Reported savings for RBC since 2019:

Year	Total Savings reported £	% of cases referred for investigation
2019/20	£154,650	n/a
2020/21	£533,040	9.65%
2021/22	£170,527	10.5%

2.10 Statistics for the first half of 2022/23 are set out at Appendix A. Of the 289 cases investigated, 21 resulted in a positive outcome with projected savings of £60,090.57.

2.11 During the third quarter, the team have successfully investigated a fraudulent sub-letting of a Council property, resulting in the dwelling being relet to an eligible tenant.

2.12 The RBBC team have been twice recognised by the IRRV (The Institute of Revenues Rating and Valuation), as winners of the category for “Excellence in Counter Fraud”, both in 2022 and 2019, and for “Excellence in Partnership Working” in 2021.

3. Options considered

3.1 The annualised costs of the contract with RBBC after the last review in 2021 are set out below:

Role	Annual cost per FTE	FTE required	Total cost (£)
Investigations Officer	£43,407	1.0	£43,407
Intelligence Officer	£34,629	1.0	£34,629
Intelligence Officer (NFI)	£35,568	0.5	£17,784
			£95,820

3.2 These charges exclude any additional costs of working with the specialist financial investigator at Portsmouth City Council which would have been charged separately.

- 3.3 Since the agreement began in 2019, there will have been pressure on RBBC's costs of delivering this service due to pay inflation and rising ICT costs. Option 1 below sets out the proposed annual costs of the service using the same level of FTEs as above, updated for changes in pay rates, and including a share of ICT costs and specialist services. Roles within the team have been reassessed and graded appropriately, with some work now being carried out by the Intelligence Officers that would previously have been held at Investigation Officer level. The mix of FTEs has been adjusted to reflect this.

Option 1:

Role	Annual cost per FTE	FTE required	Total cost
Investigations Officer	£58,202	0.5	£29,101
Intelligence Officer	£38,248	1.5	£57,371
Intelligence Officer (NFI)	£38,248	0.5	£19,124
Third party recharges & licences			£5,870
Portsmouth City Council – financial investigations			£2,500
			£113,966

- 3.4 Returning to this level of resource would effectively see a reduction in resources and would have an impact on the level of savings generated from referrals. RBBC would have to limit the number of cases it could deal with or introduce criteria for the acceptance of referrals.
- 3.5 During the first half of 2022/23 RBBC have been absorbing the cost of additional resources that were introduced to meet the demand from referrals by RBC. However, if the Council wishes to continue at this level of investigation, then the annualised costs would be as set out in the next table.

Option 2:

Role	Annual cost per FTE	FTE required	Total cost
Investigations Officer	£58,202	0.5	£29,101
Intelligence Officer	£38,248	2.0	£76,495
Intelligence Officer (NFI)	£38,248	0.5	£19,124
Third party recharges & licences			£6,870
Portsmouth City Council – financial investigations			£2,500
			£134,090

- 3.6 Maintaining this level of resource would allow RBBC to work on proactive cases outside of housing such as Housing Benefit/Council Tax Support and dedicate more time to reactive referrals from within RBC services or local residents.
- 3.7 As RBBC have committed to keeping costs for the first half of the year in line with previous resource levels, the actual cost for 2022/23 under this option would be:

April – September 2022	£48,000
October to March 2023	£62,360
October to March 2023 recharges	£4,685
Total cost for 2022/23	£115,045

3.8 As the bulk of fraud referrals are within the Housing Service, the costs are currently split 80/20 between the Housing Revenue Account and the General Fund. Therefore, the additional £19,045 cost of this option, above the current budget of £96,000 would be split £15,236 to the HRA and £3,809 to the General Fund. Virements from other budget headings have been approved under financial regulations to meet the additional costs for October and November in both areas, and this report seeks the remaining balance for 2022/23 via supplementary estimate.

		HRA	GF
	115,045		
	96,000		
Additional costs 2022/23	19,045		
Met from virements:	6,348	5,079	1,270
To be met via supplementary estimate	12,697	10,157	2,539
	19,045	15,236	3,809

3.9 The agreement would run for 3 years, commencing April 2022 with a 2% uplift in salaries applies at April 2023 and 2024. The full cost of the service in 2023/24 would be £136,585 and for 2024/25 £139,128.

Option 3

3.10 Option 3 would be to reduce resources below the previous level, in any combination of FTEs and with a consequential reduction in third party costs. Whilst this would reduce the cost of the service it would come with risk that the reduced resource would be unable to deal with all referrals and would limit opportunities to undertake proactive work, leading to a likely reduction in savings.

3.11 Given the successful partnership to date, the level of fraud detected, and the consequential savings to the public sector, option 2 is recommended by officers.

3.12 In addition to the provision of on-going counter fraud services as described previously, the RBBC team have agreed with the Housing Service to undertake sample testing of tenancy details, to provide evidence as to whether a full Tenancy Review would be of merit. If, following the results of the sampling, it is felt that a Tenancy Review exercise would produce positive results, then RBC could choose to invest in a full review of all RBC housing stock properties, to check for sub-letting, abandonment etc. This would involve further costs, including the support of a third-party supplier. The estimated costs of this exercise are below:

Element	Approx. cost
Third Party Data Matching Tool	£3,225

Credit Searches at 55p for 2,500 properties	£1,375
RBBC Intelligence Officers – 72 hours	£1,509.84
Total estimated cost	£6,109.84

3.13 Once the results from the sampling are known, the Housing Service will consider whether or not to proceed and make any necessary arrangements for funding.

4. Policy framework implications

4.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs. The prevention and detection of fraud is implicit in carrying out these duties.

4.2 The Council has an Anti-Fraud and Corruption Policy which is available on its website, and which will be reviewed and updated during 2022/23. This forms part of a suite of governance documents that underpin the Council's Corporate Code of Governance.

5. Resource implications/Value for Money

5.1 Increasing the resources invested in the prevention and detection of fraud avoids scarce resource being utilised by those not eligible for the services provided. In addition, significant costs are avoided through both prevention and detection and others are deterred from committing fraud when the Council is seen to take action against fraudsters.

5.2 The Council has benefitted from additional resources in the first half of 2022/23, the cost of which has been absorbed by RBBC. It is recommended that this level of resource is continued, with part of those costs for the current year being covered by virements from other budgets and part requiring a supplementary estimate of £12,700 split in proportion to workloads between the HRA and the General Fund.

5.3 The partnership with RBBC has produced estimated savings of over £60,000 in the first half of 2022/23 and savings of between £154,000 and £533,000 in prior years. While these are not cashable savings, they are costs avoided by detecting and stopping fraudulent activity.

6. Legal Implications

6.1 Investigations are carried out in compliance with all relevant legislation such as the Fraud Act 2006, Criminal Procedures and Investigations 1996, Police and Criminal Evidence Act (PACE) 1984, Local Government Finance Act 1972, Proceeds of Crime Act (POCA) 2002 and Regulation of Investigatory Powers Act (RIPA) 2000.

6.2 Investigations may involve the handling of sensitive personal data, and due regard is had to the General Data Protection Regulations when carrying out fraud prevention and detection.

6.3 If this proposal is approved, the Council will enter into a legal agreement with Reigate and Banstead Borough Council for the delivery of these services.

The terms of that legal agreement will replicate those contained in the previous agreement the Council entered into.

7. Equality Implications

- 7.1 The Council undertakes Equality Impact Assessments for all new policies and part of the work of the Counter Fraud service is to ensure that only those eligible for services are able to access them.

8. Environmental, Sustainability, Bio-diversity implications

- 8.1 There are no environmental, sustainability or bio-diversity implications from this report.

9. Conclusions

- 9.1 The Council's partnership with RBBC's Counter Fraud Service has been successful in detecting and preventing fraud, recovering costs where appropriate and avoiding further fraudulent costs, alongside acting as a deterrent.
- 9.10 It is recommended by officers that Members approve an additional 0.5FTE resource as set out in Option 2, enter into a continued arrangement with RBBC for the 3 years 2022/23 – 2024/25 and seek a Supplementary Estimate from Corporate Management Committee in the sum of £12,700, following consultation with the Chair of the Housing Committee.

(To resolve)

Background papers

None

	Housing register & Pending Noms Applications Checked	Positive outcome	NFI Financial Saving £3240 per case
Quarter 1	84	5	£16,200
Quarter 2	94	5	£16,200
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

	Homeless and Homeless Prevention Applications Checked	Positive outcome	NFI Financial Saving £3240 per case
Quarter 1	40	0	£0.00
Quarter 2	33	2	£6,480
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

	Social Housing Referrals investigated and closed	Positive outcome	NFI Financial Saving £93000 per case
Quarter 1	3	0	£0.00
Quarter 2	0	0	£0.00
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

	RTB/RTA investigated and closed	Positive outcome	NFI Financial Saving Amount varies dependant on discount tenant entitled to.
Quarter 1	5	0	£0.00
Quarter 2	5	0	£0.00
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

	Housing Benefit / CTRS investigated and closed	Positive outcome	Amount of overpayments raised from Investigations.
Quarter 1	7	0	£0.00
Quarter 2	6	2	£18,969.50
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

	Single Persons Discount cases investigated and closed	Positive outcome	Amount of SPD recovered.
Quarter 1	6	3	£1,307.06
Quarter 2	6	4	£934.01
Quarter 3			
Quarter 4			
Total for year 1 st April 2022 to 31 st March 2023			

KEY

Quarter 1 = 1st April 2022 to 30th June 2022

Total Financial Saving

5.51% positive outcome

£17,507.06

Quarter 2 = 1st July 2022 to 30th September 2022

Total Financial Saving

9.02% positive outcome

£42,583.51

Complaints and Compliments Quarter 2 2022/2023 (Law and Governance, Clare Pinnock)

Synopsis of report:

To provide Members with a summary of the complaints and compliments received from 1 July – 30 September 2022 (Quarter 2 of the KPI reporting structure), and report any matters that have arisen since the meeting of the Committee in September 2022.

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 29 entries in the complaints register and 30 compliments recorded in Quarter 2 of 2022/2023.
- 2.4 **Complaints Quarter 2 2022/2023**

The table below sets out the figures for Quarters 1 and 2 of 2022/2023:-

Business Centre	Quarter 1	Quarter 2
Assets and Regeneration	0	0
Community Development	0	1
Community Services	1	0
Corporate Services	0	0
Customer, Digital and Collection Services	2	3
Development Management and Building Control	0	0
Economic Development and Planning Policy	0	0
Environmental Services	8	12
Financial Services	0	2
Housing	16	11
Human Resources	0	0
Law and Governance	0	0
Total	27	29

- 2.5 Of the 29 complaints recorded, 5 were upheld, 6 partly so, 10 were not upheld, 7 are overdue, for which an update has been sought, and the remaining one is in progress and has not yet reached the deadline for a response to be made.
- 2.6 In terms of identifying trends, within the Refuse and Recycling Service there is a continuing theme of multiple missed bin collections and disagreements with crews out on the streets as well as challenging the Council's Recycling Policy. One complaint was upheld where damage had occurred to a bin store. However, because this was dealt with promptly by the Supervisor who arranged for repairs to be made the next day the resident was satisfied their complaint was resolved. Of the remaining 4 complaints, one was not upheld at Stage 2 but an apology was issued for the delay, another 2 were upheld and partly upheld and resolved by Customer Services, and the last complaint concerned a decision made by the Engineering team which has now been reversed, when appealed.
- 2.7 Housing had 7 complaints from customers regarding staff or contractors, one was partly upheld and an apology issued for unintentionally offending the person making the complaint. The other 4 complaints related to property, one of which was partly upheld, but was multi-faceted with a number of issues to

deal with. As previously stated, Housing complaints do tend to have a number of factors involved and can be very emotive.

- 2.8 Human error led to two data breaches in the same section (in a different business centre), which were reported to the Data Protection Officer as required and no further action was necessary with the mistake being discovered very quickly and resolved.
- 2.9 The complaint handled by Community Development was not about that department, but they were responsible for the site and the problems were caused by third parties to residents and our Officers from Green Space assisted where they could.
- 2.10 Financial Services fielded a complaint involving an external third party, a delay in communication owing to various factors was a relevant element.
- 2.11 If Members have any queries regarding particular service areas these can be referred to the relevant Corporate Head.
- 2.12 **Compliments Quarter 2 2022/2023**

Business Centre	Quarter 1	Quarter 2
Assets and Regeneration		
Community Development	5	5
Community Services	1	3
Corporate Services	4	
Customer, Digital and Collection Services	4	10
Development Management and Building Control		1
Economic Development and Planning Policy		
Environmental Services	2	7
Financial Services		
Housing	8	3
Human Resources		
Law and Governance		1
Total	24	30

- 2.13 There were 30 compliments received for Quarter 2 2022/2023. The details, where staff were named or identifiable from the information provided, are set out in Exempt Appendix 'A'.
- 2.14 Compliments were for efficiency, helpfulness, and care shown to residents and customers and quality of service provision.

- 2.15 The breakdown of complaints and compliments in Quarters 1 and 2 for 2022/2023 by Ward is set out below (- denotes complaints and + compliments)

Ward	Quarter 1		Quarter 2	
	-	+	-	+
Addlestone North	4	3	1	3
Addlestone South	3	3	4	3
Chertsey Riverside	2		2	4
Chertsey St Ann's	3	2	4	2
Egham Hythe	4	4	4	
Egham Town	4	1	1	1
Englefield Green East				
Englefield Green West	1			1
Longcross, Lyne and Chertsey South			1	1
New Haw	2	1	4	3
Ottershaw		1	3	
Thorpe		2	1	2
Virginia Water	2		2	
Woodham and RowTown		1		
Out of Borough	1	6	1	7
Unrecorded	1		1	3
Totals	27	24	29	30

- 2.16 Recording complaints and compliments is a valuable tool for the Council to review performance and improve the delivery of services.
- 2.17 Departments are improving in terms of copying us into their responses to customers which makes having a good overview easier. This also provides an insight into the way complaints are dealt with and if best practice is being followed.
3. **Policy framework implications**
- 3.1 The Complaints policy and procedures are reviewed regularly to provide up to date guidance to staff completing the registers and to ensure reporting is accurate.
- 3.2 Since the last meeting, the Chief Executive has asked his Executive Assistant to organise an Officer Working Party to review complaint handling along with

some other service areas. Officers in Law and Governance have requested the opportunity to contribute to the review.

- 3.3 The new Corporate Business Plan 2022 – 2026 is relevant to this process as handling complaints is at the Corporate centre of how we interact with the public. Our values include being customer focused, striving for excellence, improving services, promoting equality and diversity, and delivering excellent value for money. Our goals include having satisfied customers. It is important that our processes are aligned with these strands of the plan.
- 3.4 The final changes have now been made to the structures of Community Services and Environmental Services. As a business Centre, Community Development will no longer appear in the register but remains a discreet function within Community Services.

4. **Resource implications**

- 4.1 The Council does not have a complaints team. Work is co-ordinated within Business Centres by individuals with whom Officers in Law and Governance maintain a close working relationship to try and ensure complaints are dealt with in a timely manner and reporting of compliments is also promoted.

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 2 compliments which can be identified as relevant to the protected characteristic of age, 2 complaints that could be identified as relevant to race, and another 2 to disability. No complaints relevant to protected characteristics were upheld.

(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.

**Exclusion of Press and Public
Officers' Recommendation that –**

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

(To resolve)

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

Document is Restricted